

**WIN A TVR GRIFFITH 500**  
see page 5 for Token 1



**DIANARAMA**  
Off with her talking head! page 20  
Key players in the saga, page 3

**CHILDREN OF WAR APPEAL**

How to help the youngsters of Sarajevo, page 7



## Revealed: Minister's call to sell arms to Iraq just before war

**EXCLUSIVE**  
CHRIS BLACKHURST  
and PAUL VALLEY

A confidential Cabinet document, which goes to the heart of the Arms-to-Iraq affair, reveals that only weeks before the invasion of Kuwait, senior ministers considered lifting the arms embargo on Saddam Hussein's government.

The letter, to the then prime minister, Margaret Thatcher, from Nicholas Ridley, her Secretary of State for Trade and Industry, is part of the mountain of evidence presented to Sir Richard Scott's inquiry. It shows that ministers were embroiled in Cabinet infighting over the policy.

It also reveals how senior ministers were aware of the independent investigation by Customs and Excise officers into breaches of the embargo by British firms – and feared that if it went ahead, it could seriously damage relations with Iraq.

John Major, then Chancellor, also received a personal copy of the Ridley letter, which was sent to senior Cabinet Ministers less than six weeks before Iraq invaded Kuwait.

News of the existence of the confidential four page document is certain to increase pressure for the swift publication of the Scott inquiry into Britain's arms trade with Saddam's regime. Sir Richard's latest estimate is that his report will be published in January.

Paddy Ashdown, the Liberal Democrat leader, wrote to Mr Major soon after the Scott inquiry was established in late 1992, citing the Ridley memorandum and asking whether Mr Major had lied when he had said earlier that the Government's guidelines had been observed. Mr Major replied that it was up to the Scott inquiry to establish whether the system of guidelines had "operated as it



**Ridley: Concerned at implications of Iraq arms embargo for British industry**

should have done and the right decision taken".

The letter discloses that:

- A rift had developed between the Foreign Office, which wanted to maintain an embargo not just on arms but also on machine tools, which could be adapted for use in the manufacture of arms, and the DTI, which feared that the machine tool ban would wreck British trade relations with Iraq.
- Saddam's son-in-law had just told the British Ambassador that the UK was interfering with civil trade and encouraging other countries to follow suit. This

apparently confirmed Saddam's impression that Britain was applying an embargo going well beyond arms. Mr Ridley feared that Iraq was about to cut all business links.

■ Iraq had two months earlier suspended payments on £1bn it owed Britain and was already £140 million in arrears. The DTI feared it might now default on the entire amount, which, said Mr Ridley, would have serious consequences – not just for the Government's Export Credit Guarantee Department (ECGD) but for public sector borrowing.



**Thatcher: Knew about the rift between Foreign Office and Department of Trade**

■ Ministers were aware of a Customs and Excise probe into one British firm which had supplied machine tools to Iraq. Matrix Churchill. Ministers feared that the Customs investigation would worsen relations which were already strained.

■ Many of the machine tools which the Foreign Office wanted to ban were widely available on the international market. Britain had even agreed at this point to supply them to Eastern European regimes and the Soviet Union. Mr Ridley feared

that the equipment would be sold to Iraq by other countries with a less rigid interpretation of the embargo and as a consequence, British firms would lose out.

Lady Thatcher said in her evidence to the Scott inquiry, that she knew nothing of the details of how the arms embargo worked. Only the big things came to her. "Most of the documents before me [at the inquiry] I have never seen. I was concerned with the big issues," she said. "If I had seen every



**Scott: Letter was among evidence for his inquiry into breaches of arms rules**

copy of every minute when I was in government, I would have been in a snowstorm."

Yet if she knew nothing of the detail, the Ridley letter now shows she certainly was privy to the policy disagreement between the Foreign Office and the Department of Trade.

It also reveals that copies of the letter were sent to "members of OD" – the Cabinet Overseas and Defence Committee of which Mr Major was at the time a member in his capacity as Chancellor.

Mr Major told Lord Justice Scott that he had not seen a se-

ries of Cabinet documents discussing defence sales to Iraq – which included references to the Customs investigation into Matrix Churchill – days before Iraqi tanks moved into Kuwait. Mr Major said he was not shown the documents because he did not attend the meeting to discuss trade with Iraq.

Nevertheless, Mr Major was aware of the Matrix Churchill investigation and referred to it in his letter to Mr Ashdown. A copy of Mr Ridley's letter to Mrs Thatcher was sent to all OD members – including Mr Major.

When the letter was written – on the same day that Customs and Excise investigators interviewed managers at Matrix Churchill – the British security services were unaware of Iraq's hostile intentions towards Kuwait.

There was, however, considerable public anxiety about the conduct of the Iraqi leader. A ceasefire had been agreed in the Iran-Iraq war two years before, but a year after that, Saddam had outraged the world by gassing his own citizens, in the northern Kurdish region.

Only three months before the letter was written, the *Observer* journalist, Farzad Bazoft, whom the Iraqis accused of spying, had been executed. Bazoft's travelling companion, nurse Daphne Parish, was still imprisoned, and British businessman Ian Richter had been in an Iraqi jail for five years – all of which had caused considerable public indignation in Britain.

Despite all this, Mr Ridley, who died in March 1993, concluded by calling for the entire policy of maintaining an arms embargo to be reviewed. "I see a strong case for a more thorough review of our policy in this area which would take into account the policy and political arguments in favour of export controls, the commercial consequences for British industry and the financial risks for ECGD of continuing friction in our relations with Iraq," the letter concluded.

Last night Mr Ashdown said: "I have always been concerned about this letter because it goes to the heart of the issue and highlights the extent of Government disarray on the policy. The Prime Minister did not answer my questions at the time and has never answered them. It is vital that Sir Richard Scott produces his report as quickly as possible so that we can finally get to the bottom of this scandal."

## Railtrack 'holding back £1bn for sell-off'



CHRIS BLACKHURST  
and DONALD MACINTYRE

More than £1bn that could be spent immediately on improving the condition of Britain's cash-starved railways has been set aside, to boost the balance sheet of Railtrack, the owner of the rail network, as it nears privatisation.

Labour last night called on the Stock Exchange to investigate the accounts of Railtrack before a prospectus is issued to investors. Brian Wilson, the party's transport spokesman, has written to Michael Lawrence, the Stock Exchange's chief executive, asking him "to ensure a full analysis of Railtrack's accounts before the release of any prospectus to potential investors is authorised".

In November last year, the Government announced that Railtrack would be privatised in the lifetime of this Parliament. The timetable may be slipping, however, and could be pushed back from the spring, when the company was originally due to be sold. Analysis of Railtrack's accounts reveals four items which when added together produce a total of £1.14bn which bolsters its long-term financial position.

Two independent experts on railway finances have confirmed the money could be used now to refurbish track, signalling, bridges, tunnels and stations.

Professor Bill Bradshaw, of Wolfson College, Oxford and the former director of operations at British Rail, said: "My concern is that Railtrack is not

spending sufficient money to maintain the rail infrastructure and properties. I am disturbed that money I would expect to be used on renewing track, signals and structures has not been spent but has been squandered away in the balance sheet. I am very anxious that all the money is spent and is used to bring the railways up to scratch."

Richard Hope, special adviser to the Commons Transport Select Committee, said it was "scandalous that money could be invested now and is not".

Railtrack inherited British Rail's track, signalling equipment, stations and trackside buildings in April last year. In its first financial year, up to April, it made an £305m operating profit on turnover of £2.75bn, largely from charging

the rail operators for using Britain's track and stations. But included in costs of almost £2bn, deducted from turnover, were four items which could benefit its future owners.

In the 1994-95 accounts:

- £450m is set aside for "property maintenance back-log accrual". Yet, of that sum, only £18m is forecast to be spent in 1995-96.
- £403m of loans are shown as having been repaid in the past financial year. The money could have been used to tackle the refurbishment backlog.
- £483m is earmarked for a 10-year "asset maintenance plan". Of that sum, £333m was spent in 1994-95, leaving £150m for future years – despite the need for it all to be used now.
- £156m has been deducted to

cover a fall in value of fixed assets and provision for future environmental liabilities.

Mr Wilson accused Railtrack of putting money on one side to guarantee profits after privatisation. "I believe that this amounts to a systematic attempt to create an artificial level of profitability for Railtrack in the period immediately following privatisation. As far as the taxpayer is concerned, it really is a billion pound sting."

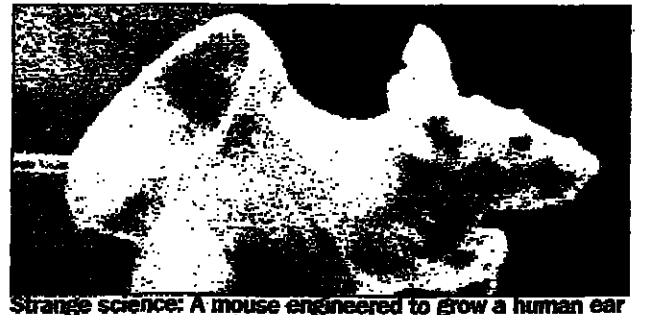
However, Richard Aitken-Davies, Railtrack's director of privatisation, said the £1bn was "to do with setting up the balance sheet of the company so it can meet its commitments in the future. In preparing for privatisation we have identified the sort of obligations we are going to have to".

**IN BRIEF**

- Bosnia peace near**  
Opposing sides in the Bosnian war were on the brink of a peace deal last night. Page 7
- Drugs warning**  
The explosion of drug use among young people in Britain is still only in its "expansive phase". Page 2
- Boardroom battle**  
Cable & Wireless could lose its chief executive in a boardroom showdown. Page 32
- Bomber kills 14**  
A suicide bomber killed at least 14 people at the Egyptian embassy in Islamabad. Page 12
- Schools tables 'fall test'**  
The Government will publish its annual schools league tables tomorrow despite widespread criticism by experts that they are meaningless. Page 4
- Gascoigne booked**  
The Old Firm derby produced six goals and a booking for Paul Gascoigne as Rangers drew 3-3 with Celtic. Page 32
- Today's weather**  
Early mist will clear and most areas will be dry with sunshine and light winds. Section Two, Page 21

## Geneticists lay claim to 'God's creature'

TOM WILKIE  
Science Editor



Strange science: A mouse engineered to grow a human ear

An unprecedented hearing on whether a living animal can be patented, making it an invention created by human ingenuity rather than a natural life form, will open in Munich tomorrow.

Religious and animal welfare groups from across Europe will try to persuade officials of the European Patent Office not to grant a patent to Harvard University. The university's scientists have genetically engineered a laboratory mouse by stitching cancer-causing genes into its DNA so the animal is predisposed to develop tumours and

die of cancer. Harvard wants exclusive rights to profit from its technology by marketing the animals for medical research, and will put its case to officials of the patent office in a hearing

expected to last three days. What the university is doing "is more than playing God," according to the Rev Andrew Linzey, of Mansfield College, Oxford. "Being God means be-

ing the originator, the owner of what is created," Professor Linzey said, and patenting, which confers intellectual rights, "usurps the prerogative of God" when applied to a living animal.

Malcolm Eames, of the UK Genetics Forum, warned the patent could open the way to yet more intensive factory farming with genetically engineered chickens, cows and sheep. "We regard attempts to patent animals and plants as immoral and contrary to Article 53a of the European Patent Convention [prohibiting those whose exploitation would be contrary to morality or public order]."

Of mice and men, Section Two

**IN DI AH H**

In days gone by,  
you would have had  
to fight to see it.

Just south of the Taj Mahal at Agra, Gwalior, greatest of all Hindu fortresses, rises majestically above India's northern plains. Situated at the nation's geographical, historical and metaphorical crossroads, this colossus has been mauled for over a millennium by besieging armies, most notably those of the moghuls, Marathas and British.

The short drive to Shivpuri sees a complete change of pace. Surrounded by the leafy Madhav National Park, this old summer capital of exquisite palaces and cool lakes charmed the warriors of the past to lay their weapons aside and relax.

And so to the peaceful medieval riverside town of Orchha. Three palaces cluster inside its fortress, all rich in romance, yet time (and tourism) seems to have passed them by.

The state of Madhya Pradesh is replete with such treasures. Though you no longer have to fight to get there, you'll find it a struggle to tear yourself away.

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IN 20/11/95



# an INDEPENDENT week

Prepare to be shaken by Pierce, stirred by Canvey Island and shocked by Jean-Paul

It will be dry until Wednesday, then frost, with rain in the North-east and the South-west on Tuesday. Whatever, here's an eclectic look at what you could possibly do, see, or buy this week...

**SO** Break from the GARDEN and visit the Royal Horticultural Society at Vincent Square, London SW1 (0171 826 1744), where nursery workers prove November can be as full of delight as June.

**OR** Try the BBC Cooking & Kitchen Show at the NEC in Birmingham (Wed-Sun). GOURMET tips from Raymond Blanc and Gary Rhodes, wine and cheese tastings and foodie demonstrations.

**OR** read Faye Dunaway's life STORY, Looking for Gatsby (HarperCollins, £16.99). Apparently, her life has been a search for a father-figure since her own left home when she was a girl. Hence the many passionate liaisons.

**OR** SHOP... after the Barbour for dogs, Burberry's (0171 930 3343), the wax and check people, having introduced sleeping bags for the B&B. Two little carnivals and a big one on the front - £42.50.

**OR** WATCH... and watch as Reeves and Mortimer's A Nose Through Nature on Sunday (BBC1 4.20pm) gives viewers a history of smell. It works in conjunction with a Children in Need Smellathon book from WH Smith and Tesco.

**OR** FLOAT to France and back for under £1. The travel agency, Cheap Places, which has 700 branches, is selling round-trips to Calais, Cherbourg, Cherbourg for £1.50, looking between now and the end of the year.

**They can't work it out**  
The Irish go to the polls on Friday for their referendum on divorce, which has been banned since the 1930s. Not new. Pre-Christian Brehon Laws allowed women to dump unsatisfactory husbands, paying them alimony in cattle. Catholic clergy, using more stick than carrot, are warning that divorced people who remarry won't receive sacraments. Their threats might just push voters into the reform camp.

**They can hype it up**  
You'll be sick of the hype by now, but that won't stop you buying The Beatles Anthology (Parlophone CD: £19.99, Tape: £12.99) a collection of out-takes and rarities which includes Free As A Bird, magically featuring the voice of John Lennon combined with the music of McCartney, Harrison and Starr. The musical talking-point, if not the album, of the year.

**They can talk it up**  
Who has shone in the Commons this year? However poor the choice, someone has to be honoured at the Speaker's Parliamentary of the Year bash at the Savoy. Could it be Alan Howarth, whose defection from Tory to Labour means he is the only member to have spoken from both sides of the House? Or maybe John Redwood, who gave up a Cabinet seat for the backbenches in order to challenge for the Tory leadership.

## TODAY

### Orange alert

MPs alarmed that it took police officers almost half an hour to reach College Green, Westminster, after the Tory party chairman, Brian Mawhinney, was spat out with orange paint last week, will have an opportunity to take it out on Sir Paul Condon, the Metropolitan Police Commissioner, when he appears before the Commons Public Accounts Committee. The subject? Responding to Emergencies.

### Dancing cheers

Rudolf Nureyev's costume of maroon velvet, which he wore for the role of Prince Flaminio in The Sleeping Beauty, is to be auctioned at Christie's, which is selling the contents of 23, Quai Voltaire, his principal Parisian home. It could be yours for anywhere between £5,000 and £8,000 (Christie's, 8 King Street, London SW1, 0171 839 9060).

### Deadly legacy

Chernobyl 10 years on... the World Health Organisation (WHO) is to host a four-day conference in Geneva, Switzerland, on the consequences of the nuclear catastrophe. Dr John Harrison, of the National Radiological Protection Board, says that it is too early to tell what the long-term effects will be, and that more money and support needs to be given to hospitals and field research, especially in the area of thyroid diseases.

## TOMORROW



**Top Grade**  
Michael Grade presents the 1995 Royal Television Society Design Awards. Nominations include Rory Bremner, Brannwell, Cardiac Arrest and the BBC2 channel ident. Martin Chuzzlewit is nominated for two awards, Production Design and Make up - particularly those amazing hair fashions inspired by the original Fizz drawings.

**Cup runs**  
Ah, the romance of the Cup. All eyes - those with a tendency to mist anything - will be turned towards the likes of Farnborough, Woking, Altrincham and Ashford tonight and tomorrow as non-league football clubs whose greatest ambition is to be labelled minnows try to get through their FA Cup first round replays. Reserve your biggest cheers for Canvey Island at Brighton.

**Speaking out**  
On the eve of his captivating adaptation of The Wind in the Willows (Old Vic, London, from Sat), Living National Treasure, Alan Bennett, reads from his witty best-seller Writing Home which dealt to sell by the lorryload and continues to do so. (Old Vic, National Theatre, 6pm, 0171 928 2252).

## WEDNESDAY 22

**Going for a bird song**  
Paintings by Charles Tunnicliffe, who painted Christmas cards and magazine covers for the RSPB, are to be auctioned by Sotheby's. (2pm, Contact: 0171 493 8080). £150,000 could be raised. Julian Pettifer, RSPB president, said: "Tunnicliffe would have approved."

**Al's honorarium**  
Harrods boss Mohammed al-Fayed and his wife become honorary members of Emmanuel College, Cambridge. Some can literally "buy" themselves a membership. The college wouldn't share the secret of the Fayed's advancement. There is a room in the college's Queen's building called The Harrods Room.

**An eye on Bond**  
Bond is back with Goldeneye. Will the Bond Bimbo survive? An Ursula Andress clone undulating in a skimpy bikini may never be seen again, thanks to the transformation of stars Famke Janssen and Izabella Scorupco from sex slaves to elegant 90s women.



## THURSDAY 23



**Trash bash**  
Last year he tried to steal the show by turning up in a mini-skirt and PVC stiletto heels. Jean-Paul Gaultier, presenter of C4's Eurotrash, is hosting the MTV Europe Music Awards. Nominees include Björk, Madonna, Michael Jackson, Lenny Kravitz, Neil Young, Bon Jovi, the Rolling Stones, Dog Eat Dog... almost everyone, actually. If your favourite isn't among that lot, they are bound to be among the presenters. Don't worry, Kylie will be there.

**Take one**  
Christie's is holding an auction of hardware to commemorate 100 years of cinema. Star turn is the lapidary, a 35mm walnut-body projection mechanism with hand-crank, brass top-plate. Made in France, it is "a zoetrope camera applicable also for optical projection". It could go for £2,500. (Christie's, Old Brompton Road, London. 2pm. 0171 581 7611).

**Yes, her again**  
Britain's most successful PR person takes a jaunt to the land of Fray Bentos and the Falklands. New panoramas for her to view. New PR stunts to pull.

## FRIDAY 24

### Psycho soccer

The Scottish branch of the British Psychological Society begins its annual conference in Gifford, Perthshire. The theme: Addiction - Sick individuals or a sick society? The speakers will cover all aspects of dependency, such as student cheating, slot machines, alcoholism and drug use. Other features: Footballers in Scotland - does psychological stress make them sick? Something for Gazza here?

**Cliff tops**  
Birmingham is, of course, a thoroughly worthy place, but a more unlikely setting for a round of the World Climbing Cup it is hard to imagine. Still, for three days - the finals are on Sunday - some 160 climbers from 20 countries will be scrambling up and down artificial cliffs in the National Indoor Arena.

**Try Freedom**  
Last year M People's album Elegant Slumming won the Mercury Music Prize, pipping favourite-of-the-year Blur to the post. Blur's upcoming Arena tour, which starts today, is sold out. M People's last. So what? There can't be many other British bands who are so effectively putting Madonna's mantra - "Only When I'm Dancing Can I Feel This Free" - into glorious practice. (Albert Hall, London, until Sun).



## THE WEEKEND 25 / 26

### Whodunkit?

Agatha Christie's The Mouse-trap is 44 years old. 66,000 gallons of soft drinks have washed 306 tons of ice cream down 1.1million throats as they have watched 274 actors and 123 understudies exam the evidence. Dapper actors at that. Wardrobe assistants have ironed over 80 miles of shirts to earn their cut of £26m box-office takings.

### Internosh

Buy your food on the Internet with the Food and Drink Index. It aims to provide info on everything from livestock prices to chocolate cake at Sainsbury's. Phone: 0345 220000.

### Better safe...

The Big Snog is a one-off show on the eve of Aids Awareness Week. Steve Coogan, Eddie Izzard and Suggs are among those taking part. A highlight of the evening will be a safer-sex quiz, unambiguously entitled A Question of Sport. (Tickets: Astoria, 0171 434 0403. Screened Channel 4, Saturday, 10.45).

### Vigil protest

Thousands of women will be demonstrating and holding vigils as part of World Protest Against Violence Towards Women Day, which has been held annually since 1981 to commemorate the murder of the Mirabal sisters, who were active in opposition to the Dominican dictator, Trujillo. Womanland Worldwide: 0181 563 8607.

### IN

The Independent this week: PIERCE BROSNAN: Is he man enough to be Bond? MICHAEL ANTONIONI: In town and talking about film PLUS: Garth Brooks, Rob Reiner.

### WIN

£35,000 TVR Griffith 500. See Page 5 for taken one.



Research: Ben Summers, Rutger Hollands

## Last week's winner

Mr and Mrs John Barlow who, after six years of torment at the hands of neighbours who bombarded them with rotten fruit, chicken carcasses and insults, won a court case to have them bound over.

EDITED BY RICHARD HOLLEDGE • FAX 0171 293 2051

# Burden of weapons export rules weighed heavily on Government

I am concerned about the course of our relations with Iraq. On the one hand we need to minimise our involvement in the Iraqi military procurement programme. But we also need to bear in mind the implication of export controls on our exports to Iraq and on ECGD's large exposure to that market.

The immediate issue is the prospect of further Customs and Excise investigations which could strengthen Iraqi accusations that we are interfering with civil trade.

Customs and Excise have received information [from the West German Customs] suggesting that Matrix Churchill (part Iraqi-owned) exported machine tools to Chile which were on sold to Iraq and used for munitions manufacture, and that they and other companies exported machine tools to Iraq direct for that purpose, despite furnishing statements that the equipment was required for general industrial purposes.

I understand that Customs are today making an ostensibly routine visit to that company and will report on what, if anything, they uncover. But any action following that visit is likely to worsen relations with Iraq.

Relations are of course already strained. Following our action to intercept shipments of parts of the big gun and the nuclear triggers, the Iraqi Ministry of Industry and Military Manufacture, which accounts for



Nicholas Ridley wrote to Margaret Thatcher on 21 June 1990, worried that operating the UN arms embargo against Iraq and Iran was endangering British exports. In the four-page confidential note, also sent to other senior ministers and reprinted here, he expressed concern about the effect on Government finances and a deterioration in already poor relations with Iraq.

Report by Chris Blackhurst and Paul Valley



around 60 per cent of Iraqi industrial procurement, announced that trade with the UK was under review. The Machine Tool Trades Association and other UK exporters have made representations to DTI that the Iraqi review amounts to an embargo on new business with the UK which will have serious consequences for some.

I wrote to the Iraqi minister to assure him of our wish for normal commercial relations with Iraq and that while our policy on supply of defence equipment remains in force, we have no intention of interfering with normal civil trade.

Our Ambassador delivered my letter at a call on the Iraqi minister last week. The Iraqi minister's response was not reassuring. He insisted that the UK was interfering with civil trade and encouraging other countries to do likewise. The minister is the President's son-in-law and a member of the inner circle of the regime.

I can see no prospect of any improvement in the position while investigations into possible breaches of export controls continue. On the contrary, I see a considerable risk of further deterioration from which only our competitors can benefit since we have no evidence that they take as restrictive a view as we do on trade with Iraq.

A Customs and Excise investigation involving Matrix Churchill is likely to be reported to Baghdad and to confirm the regime's impression that we are applying an embargo going well beyond defence supplies. This could provoke further reprisals against our exports and also perhaps a general default on repayments of credit.

## Timetable of events

December 1984 - The Government draws up guidelines restricting arms exports to Iraq.  
August 1988 - Iran and Iraq declare a ceasefire.  
December 1988 - The Government secretly relaxes export guidelines.  
March 1990 - Farzad Bazoft, an Observer journalist, is executed in Iraq.  
April 1990 - Customs seizes pipes destined for "supergun".  
June 1990 - Matrix Churchill visited by Customs; Nicholas Ridley proposes the relaxing embargo.  
July 1990 - Ministers discuss Mr Ridley's proposal.  
August 1990 - Iraq invades Kuwait.  
February 1991 - Matrix Churchill executives arrested.  
November 1992 - Matrix Churchill trial collapses, Scott inquiry launched.

ECGD's exposure to Iraq is £1bn... ECGD have meanwhile suspended the approval of new contracts under existing lines of credit until the Iraqi reduce their ECGD guaranteed arrears, which currently stand at £140 million. While Iraq has hitherto treated the UK as a preferred creditor, the present high level of arrears reflects the cessation of payments during the last two months or so which was evidently linked with the current political coolness.

The Iraqis have promised to remit £30m over the next few days, which may be a sign that, barring future upsets, commercial relations are gradually improving. We must hope so. Consequences of a systematic Iraqi default would clearly be extremely serious for ECGD and would have implications for the PSBR.

More generally, certain applications for a renewal of licences for export of machine tools to Iraq are outstanding. I

understand that the Foreign Office are not willing to agree to renewal of the licences on the grounds that the goods might be used for munitions manufacture, notwithstanding that the companies concerned have valid contracts and that comparable equipment is widely available internationally.

The intention to apply a unilateral embargo to such exports to Iraq (and to Libya, Syria and Iran), is arguably consistent with the guidelines agreed in 1983, but may be difficult to justify to industry given the imminent removal of controls, agreed with COCOM partners, on exports of such goods to Eastern Europe and the USSR.

I see a strong case for a more thorough review of our policy in this area which would take into account the policy and political arguments in favour of export controls; the commercial consequences for British industry and the financial risks for ECGD of continuing friction in our relations with Iraq.

We need to reconsider the rationale of the guidelines for defence sales to Iraq (and Iran) in the light of evidence of moves on each side towards peace negotiations and in the light of impending liberalisation of export controls agreed with COCOM partners, and the trading practices of our competitors. I would welcome your agreement to an urgent meeting to consider these issues.

## DANNY PENMAN

Drug-taking among young people in Britain is still only in its "expansionary phase" and is likely to become more common in the future, according to a substance abuse charity which released a survey yesterday.

Turning Point, a drink, drugs and mental health charity, found in a survey of substance abusers using its services that over two-thirds of its clients are under 30 years old. The data, collected over one year from a cross-section of its 27,000 clients, also revealed that 37 per cent of drug-takers were between 18 and 24 and a tenth were under 18.

A spokesman for Turning Point said that drug-taking has become the norm for many young people. "They regard these things as fun and they do not see anything wrong with it and they know nothing of the health hazards involved."

Steroid use is one of the main growth areas of drug taking among the young. These drugs, which in the past were used mainly by body builders to gain weight and strength, are increasingly used for the same purposes by clubbers but they can cause heart, lung and liver problems. Many steroid-users are unaware of the health problems associated with their use.

Cannabis is also common among the young, with many starting to smoke or eat the drug in their early teens. LSD and ec-

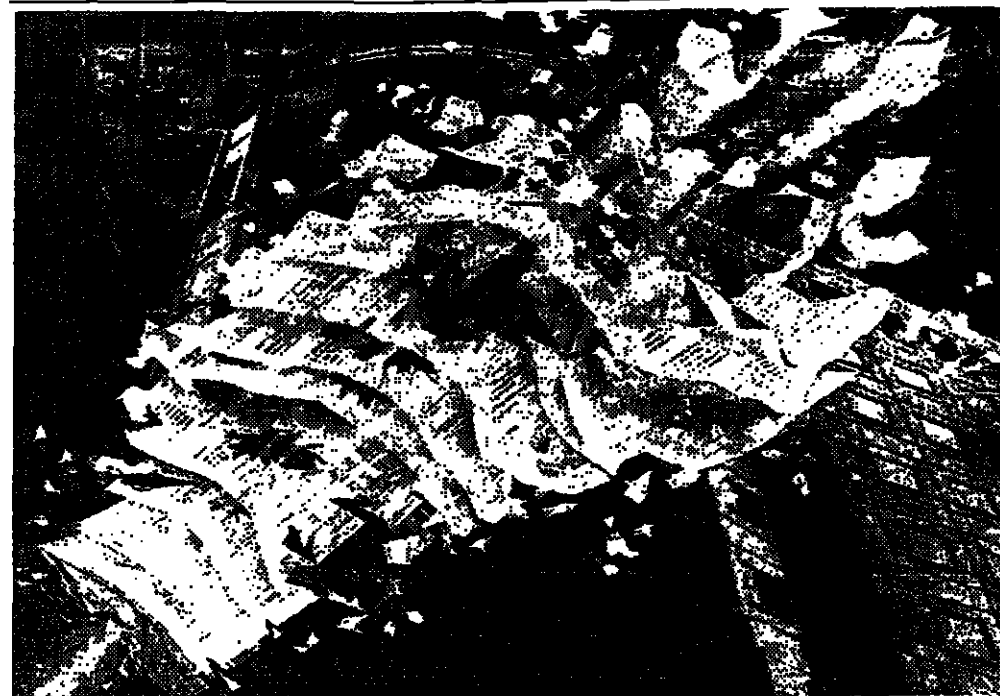
stasy are also common. Turning Point says the use of these drugs can be summed up as "more and earlier" and gives "grave cause for concern".

Of those questioned in the survey, 32 per cent cited heroin abuse as the main reason for seeking help from the charity, but the figure was 40 per cent for younger people. Nearly 16 per cent took amphetamines, 11 per cent smoked cannabis and nearly 6 per cent took steroids.

Earlier in the year, the Institute for the Study of Drug Dependence found - that three-quarters of schoolchildren had been offered drugs and nearly 40 per cent had experimented before they were 20.

Turning Point says: "For about one-third of people taking drugs is just a phase, for another third it's just dabbling from time to time, but for another third of people it's a big problem. They can't get their lives back into order and they can become permanently damaged."

Detectives investigating the death of the Essex teenager Leah Beits have arrested four people and seized 900 tablets. They raided a cafe in Brentwood on Saturday night after a tip-off resulting from appeals for information about drug suppliers. Leah died last week after taking an ecstasy tablet at her 18th birthday party. Police said, however, that the arrests were not directly linked and they were still hunting the person who sold Leah the ecstasy that killed her.



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# Money wrangle over Princess and the Beeb

JAMES CUSICK and MARIANNE MACDONALD

The Princess of Wales and the BBC could be heading for an embarrassing legal wrangle over the earnings from tonight's royal television interview.

BBC sources insisted yesterday that the Princess and the corporation had not agreed a deal over the worldwide rights to the interview which is likely to generate upwards of £2m.

It is understood that the Princess expects a high proportion – thought to be as much as 75 per cent – of earnings from the interview to go to charities of her choice.

In addition to earnings from a BBC video of the interview, which could be a best seller if it hits retail shelves before Christmas, there are also high earnings likely to accrue from international syndication rights sold to other television stations around the world.

One copyright barrister told the *Independent* last night: "If all of this was not legally fixed before the interview took place, then both parties are looking at a mess."

Last year the Prince of Wales's interview with Jonathan Dimbleby included a deal that saw a large slice of its earnings going to the Prince's favourite charities. Diana, according to close friends, clearly expects the same business deal.

As Sunday's newspapers provided *Panorama* with saturation publicity and speculation over the programme's contents and impact, the BBC spent the weekend issuing denials about

the precise content of the 60-minute interview with reporter Martin Bashir.

A BBC source also revealed that during the production and editing of the interview, the edit suites used by the programme makers had been deluged in a bid to prevent leaks of the Princess's comments.

The debugging was carried out at the BBC's White City studios in west London at the end of last week, as news of Diana's first solo public interview generated international interest in its possible content. The anticipated audience worldwide for the interview is now put at 200 million people.

Despite the insistence of Tony Hall, the BBC's head of news and current affairs, that only eight people have seen the interview – five senior executives, including the director general John Birt, and three of the *Panorama* team – leaks of what Prince Charles's estranged wife has said on camera, and even off-camera, were splashed across every national newspaper.

The Princess is reported to have said, during the interview which was recorded on Guy Fawkes' night, that she does not want a divorce, is not seeking to destroy the Royal Family, and is not angry about the Prince's admission of adultery with Camilla Parker Bowles, revealed in the television interview with Jonathan Dimbleby last year.

She is said to have denied she is seeking to destroy the monarchy. "Why should I wish to destroy my children's future?"

And there is to be no royal divorce. "No. There are two children involved here." On the break up of her marriage she is reported to have said almost casually: "It's sad when a marriage breaks up, but there it is. These things happen."

If leaks of the interview are accurate she will tell Mr Bashir: "I don't want pity, I have more dignity than that. I'm strong, here to serve, and happy to do it."

The comments are a clear signal that the Princess does not intend to step back from the forefront of public life as the wife of the heir to the throne – nor lose the prestige and power which goes with it. There is also the underlying message that she will now set her own royal agenda.

The existence of the programme was kept from Marmaduke Hussey, the chairman of the governors of the BBC. It is thought this was a deliberate move both to prevent Mr Hussey stopping its transmission – his wife is lady-in-waiting to the Queen – and to ensure that he could not be blamed by the Palace for the breach of protocol.

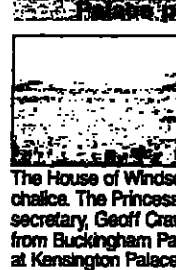
Also, in a thinly-veiled rebuke, Lord Wakeham, the chairman of the Press Complaints Commission, wrote yesterday: "Privacy can be compromised if we voluntarily bring our private life into the public domain."

"Those who do that may place themselves beyond the FCC's protection and must bear the consequences of their actions."

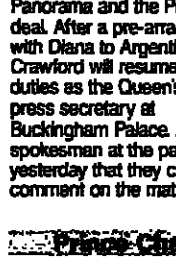
## The Panorama drama: Central figure and the six key players



**Chairman of the Press Complaints Commission.** The former Government cabinet minister is an outspoken advocate of the need for the Royal Family to be protected from unwarranted media protection. Writing in yesterday's *Mail on Sunday*, he effectively said that the Princess of Wales may have put herself beyond the protection of the FCC. His threat that public figures "must bear the consequences of their actions" is a clear indication that he may have come to the conclusion (as his predecessor, Lord McGregor, had) that Britain's Royal Family can be the manipulators as well as the manipulated.



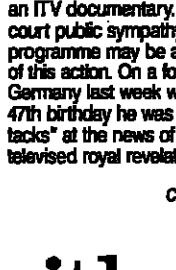
**Palace protocol.** The House of Windsor PR job is now a poisoned chalice. The Princess of Wales's own press secretary, Geoff Crawford, was seconded from Buckingham Palace to do the job at Kensington Palace for Diana. The former Australian diplomat apparently knew nothing of *Panorama* and the Princess's deal. After a pre-arranged visit with Diana to Argentina, Mr Crawford will resume his duties as the Queen's deputy press secretary at Buckingham Palace. A spokesman at the palace said yesterday that they could not comment on the matter.



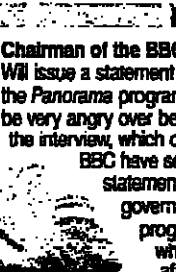
**Prince Charles.** Estranged husband and heir to the throne. Just more than 16 months ago, he bared his soul (and admitted adultery) in 160 hours of taped interviews with Jonathan Dimbleby which were then diplomatically woven into an ITV documentary. His wife's decision to court public sympathy in tonight's programme may be a direct consequence of this action. On a four-day visit to Germany last week while celebrating his 47th birthday he was said to be "splitting tactics" at the news of his wife's turn at televised royal revelation.



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**Chairman of the BBC's board of governors.** Will issue a statement tonight immediately after the *Panorama* programme is broadcast. Said to be very angry over being kept in the dark over the interview, which only eight people within the BBC have seen. Hussey issued a statement last week, stating: "The governors cannot judge a programme or the context in which it has been made until after it has been screened." However, intervention is not unknown to the man in charge of the BBC for the past nine years. Known as "Duke", his wife, Lady Susan, is a lady-in-waiting to the Queen.



**BBC television interviewer.** More used to investigating Terry Venables' business ventures than conducting a royal chat-show, Mr Bashir has pulled off the coup that every host from Sir David Frost to Oprah Winfrey had coveted. The 32-year-old father of two was said to be investigating the role of the security services in monitoring certain members of the Royal Family. His charm helped persuade the Princess of Wales that she could do business with Mr Bashir and his immediate boss, *Panorama*'s editor, Steve Hewlett, revealed in the *People* yesterday to be a former Marxist. Bashir is now rumoured for the higher things in the BBC.



**The Go-Between.** The wife of the late gallery director, Nicholas Serota. Although the Princess of Wales was described in some reports yesterday as a "television natural" there will have been the need for someone to help broker the secret deal with *Panorama*: step forward Angela or "Dame A" as she is apparently called in Diana's circle of friends. She shares a common passion dance – with the princess. Gave her emotional support during the split with Charles.



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## Bruton makes divorce vote plea

ALAN MURDOCH Dublin

The Irish Prime Minister, John Bruton, yesterday issued a strong appeal for a "yes" vote in this week's referendum on divorce. He said he "trusted" the Irish people to move in favour of change to allow divorce, and described Friday's vote as "more important than the next three general elections put together".

But with an 11th-hour setback in the Supreme Court barring it from spending more public funds promoting a "yes" vote, the Irish government faces an uphill battle to defend its slender lead.

A weekend government poll showed that another three per cent swing would eliminate the remaining pro-divorce majority. Omnipotently for the government, this is the same percentage to have shifted towards the "no" camp each week since September.

Friday's Supreme Court judgement ruled that the coalition government's use of taxpayers' money interfered in the democratic process and was in breach of the constitution.

The challenge was brought by Green Party MEP Patricia McKenna who, ironically, was only married herself last month and backs the introduction of divorce.

The ruling threw a massive spanner in the government propaganda effort, just as it was poised to deliver pro-divorce literature to every household in the state. While some leaflets were sent out before Friday, law reform minister Mervyn Taylor admitted many voters would not now receive them. Outlay on press advertisements and posters has also been affected.

In contrast, well-funded government opponents have swamped the country, leasing major billboard sites and delivering a stream of leaflets to homes. With blunt slogans such as "Hello Divorce... Goodbye Daddy" they have aimed to represent divorce as a threat to the survival of the family unit.

On Saturday, a Dublin rally drew 5,000 ardent and committed anti-divorce campaigners. Some carried candles and knelt in the street. A pro-divorce rally addressed by government leaders yesterday attracted a much smaller turnout.

Admitting the result would be very close, Mr Bruton said the vote would be more important than the next three general elections. "We as a people have a responsibility to show respect for the minority in our own midst. I believe marriage is for life, but I don't believe I need to see the law used to impose my beliefs on others."

## Bush telegraph alive with rumour and speculation

At 9.40pm today the Princess of Wales will, according to the "leaks" of the *Panorama* interview in yesterday's newspapers, effectively declare open her own rival royal court, writes James Cusick.

Despite the fact that they have been unable to get their hands on the hottest video since JR got shot in *Dallas*, the royal-watching hacks nevertheless refused to admit defeat.

"I don't want pity. I have more dignity than that. I'm strong, here to serve, and happy to do it." According to the most authoritative of all the "leaks", the *Sunday Telegraph* believes this is the princess using the 60-minute interview "to set out how she sees her future

role and her relationship with the British people".

The *Sunday Telegraph's* acknowledged lead in the royal interview chase stems from the paper's new editor, Dominic Lawson. Mr Lawson is married to Rosa Monckton, one of the princess's close friends. The princess is godmother to the couple's youngest child.

If the quotes from the *Sunday Telegraph* are less than accurate, it may indicate there has been no slip in the security the BBC have thrown round the Diana tape. Instead speculation yesterday pointed to a spot of teasing by the Princess of Wales recalling her version of the conversation with BBC journalist, Martin Bashir.

The Queen's alleged fury over the decision to keep the Diana interview a secret appears to set the seal on the division between Buckingham Palace and her daughter-in-law housed in Kensington Palace. If Diana ever accepted royal orders, those days have ended.

The *Sunday Telegraph* states (and others have copied) that Diana has no wish to destroy the royal family. "Why should I wish to destroy my children's future?" She adds: "No, there will be no divorce."

Despite directness there is also diplomacy. Diana apparently says she "understands" the Prince of Wales's decision to reveal his extra-marital affair (to Camilla Parker Bowles) in an

earlier televised interview. She attributes no blame, and acknowledges their marriage has ended. "It's sad... these things happen."

Speculating on her future role, and clearly not one that the Queen herself has ordained, the princess says quite simply her role will be "supporting the country around the world".

Quashing suggestions that she might make a new life abroad, she says: "I'm not going to let the country down, I'm not going to run away." And she adds that she will never leave Britain because her children's "future is here".

Such bold statements are a far cry from the image of a shy and retiring reluctant royal who

not so long ago begged the press to leave her alone in what was then analysed as a self-enforced retirement. The idea of retirement not looks absurd.

The *Sunday Times*, lacking the inside access of the *Sunday Telegraph*, instead offers a front page spin of the story. The BBC chairman, Marmaduke Hussey, is, says the paper, miffed that his own senior executives kept the *Dianarama* programme, as it is now being nicknamed, secret from him until it was too late for official intervention.

"Hussey was considering a rebuke to the BBC's director-general, John Birt," said the paper. Inside, in a two page "focus", the *Sunday Times* claims to offer an "investigation into how

the Princess of Wales trumped the palace".

The *Sunday Mirror*, lifting the same *Telegraph* quotes as the rest of Fleet Street, nevertheless proudly proclaims its own "Diana TV sensation". "Spies are bugging me" shouts the splash headline.

The *Mirror* says the princess is to "blast MS over role in dirty tricks" and that she is convinced the security services and Establishment elements have leaked details of her private life to undermine her popularity.

The *Sunday Mirror* also claims that the behind-the-scenes go-between who helped and guided Diana through the decision to reveal all on television was Angela Serota, the

estranged wife of Tate gallery director, Nicholas Serota.

The *News of the World*, not to be outdone by the upmarket *Telegraph*, went downmarket for their own royal "exclusive". "Diana found Camilla's knickers in Charles' pocket." Penny Thornton, allegedly Diana's personal astrologer, says the princess revealed her innermost thoughts to her.

The *People* says that BBC chiefs were so shocked by Diana's actual comments on camera that "cuts to tone down the programme" were ordered. Having missed out on a sneak preview of the elusive tape to be broadcast, the *People* reveals the "real version the world will not see".

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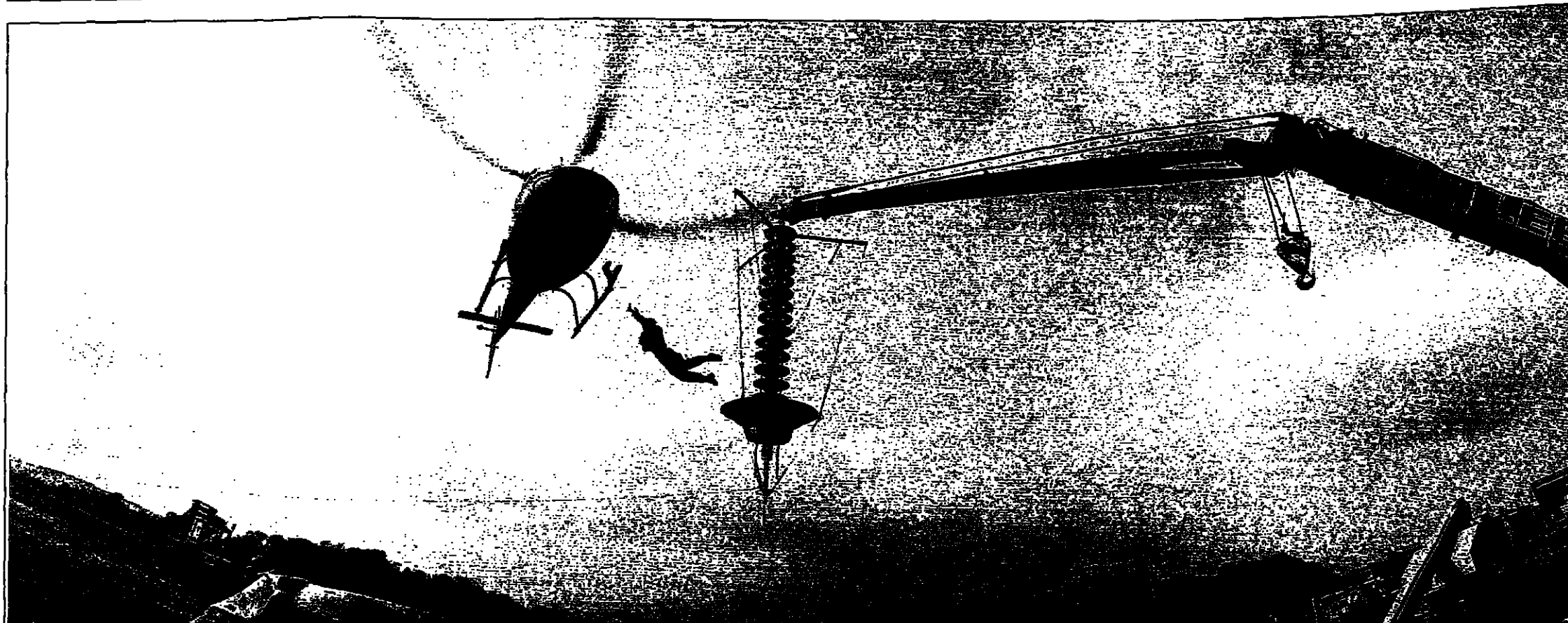
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High-flyer: Simon Crane, a stuntman, doubles for Pierce Brosnan, who plays James Bond, in a scene from *Goldeneye*, the latest Bond movie, which opens in Britain on Wednesday

Photograph: Gerry Gavigan

## Research damns school league tables as 'meaningless' exercise

FRAN ABRAMS  
Education Correspondent

The Government will publish its annual school league tables tomorrow, amid criticism from experts who have dismissed them as meaningless.

A report to be published shortly in a Royal Statistical Society journal will argue that the figures are flawed. Its authors say the vast majority of schools do not have enough pupils taking GCSEs and A-levels to provide a reliable statistical base.

Harvey Goldstein, of London University's Institute of Education, who led the study and presented it to the society last week, found that in one local authority, the margins of error were so wide that the schools could have been ranked in almost any order.

His findings will add weight to the view of almost the entire educational world, that social factors play a much larger role in examination performance

than schools. Professor Goldstein does say, however, that the schools at the very top of the list are better than those at the very bottom.

But most parents who are looking a school will examine the tables before choosing on the basis of other factors, most commonly the child's opinion.

The tables will show that

once again, girls' schools are achieving higher results than boys' schools and that the gap between the lowest and highest-achieving pupils is continuing to widen.

Another study published today will show that the league tables have forced local authorities to work on improving pupils' examination scores at

the expense of essential literacy projects in primary schools.

The research, carried out for the Association of London Government, also claims that London's schools have improved their exam results by a third since 1990.

It shows that school improvement programmes are now weighted heavily in favour

of secondary schools, and that they concentrate largely on GCSE and A-level scores.

The association gathered information from two out of three London authorities about the work they were doing to raise standards in their schools.

The most popular type of scheme was aimed at interpreting exam results, usually in order to analyse an area's league table scores. The second and third most common were aimed at raising GCSE and A-level performance.

Schemes to improve literacy among primary school pupils came 13th in order of popularity. Other widely used measures included studies of parental perceptions of a school's strengths or weaknesses and programmes to combat truancy - also measured in the league tables.

The report suggests that local authorities should place more emphasis on raising standards in primary schools, as well as helping schools to set targets for their future performance.

A second study in the same report analyses GCSE scores in terms of how many pupils gained a pass grade from A-G instead of looking at percentages of A-C grades, as most analysts do. It shows that when the performances of less able pupils are taken into account, London's schools can be shown to have improved steadily.

The tables, which will be published in a special supplement in the *Independent*, include GCSE and A-Level scores.

## 'Flying Bishop' changes tack on women clergy

ANDREW BROWN  
Religious Affairs Correspondent

One of the "flying bishops" appointed by the Church of England to minister to the opponents of women priests said yesterday that he believed the decision to ordain women could be reversed.

Speaking on *Special Assignment* on BBC Radio 5, Bishop Edwin Barnes, the Bishop of Richmond, said: "Women are not capable of being priests."

"As I go around I find groups of clergy and laity who are going to try and persuade the Church of England that what it did when it ordained women was precipitate and probably wrong."

Fr John Broadhurst, the chairman of Forward in Faith, which organises all the opponents of women priests within the Church of England, compared Bishop Barnes to General de Gaulle. "This is a declaration of war," he said. "France surrendered to Germany in 1940, but de Gaulle said he would not surrender, and he won."

Asked whether it was not a little excessive to compare women priests to the forces of Nazi Germany, Fr Broadhurst replied: "I feel I am living in occupied territory."

In the three years since the Church of England's General Synod decided by a two-thirds majority to ordain women, around 250 opponents have

left, and around 1,500 women have been ordained priest.

According to Forward in Faith, 825 parishes have signed legal declarations banning women; the legislation which allows women to become priests explicitly prohibits them from becoming bishops, and no woman has yet been given any really senior post.

Fr Geoffrey Kirk, another leader of Forward in Faith, greeted Bishop Barnes's remarks with incredulity: "He can't really mean that he thinks it's reversible, can he? What the Bishop has sensed is that there are a number of bishops who voted in favour who now wish they hadn't. But I don't see that what he says is true, or possible, in a church which takes sacraments seriously."

Nevertheless, Fr Broadhurst was confident that the bishop's cause would eventually be successful: "If the bishop was looking for a reversal in his own lifetime, I think he is manifestly wrong; but, given that the ordination of women is wrong, either the Church of England will eventually reverse it, or it will die out."

But Christina Rees, one of the Synod's members of the Movement for the Ordination of Women, said: "It's all absolutely ridiculous. The Synod voted in favour by a large majority, and I find it extraordinary that someone could deny it was led by the holy Spirit."

## Shephard defends inspection system

Three quarters of failing schools are making progress towards recovery, Gillian Shephard will announce today, writes Fran Abrams.

The Secretary of State for Education will tell leading educationists from 20 countries that of the first 35 schools found to be failing under England's newly privatised inspection service 26 have made significant progress.

Naming the first secondary school to be taken off the "fail-

ing" list - Northcote, Wolverhampton - she will say the system is working well. Crook Primary School, in County Durham, and Brookside Special School, near Derby, have already been given a clean bill of health.

Speaking to delegates from the countries of the Organisation for Economic Co-operation and Development, Mrs Shephard says the reform of school inspection has made Britain a world leader in educational

practice. Publishing a paper on improving failing schools, Mrs Shephard says all the 35 failing schools revisited by inspectors from the Office for Standards in Education have made progress. However, in nine cases progress is limited, while in 11 cases it is reasonable and in 12 it is good.

"The inspection system is giving schools the information they need to raise their standards," she will tell delegates.

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## Vauxhall workers set to vote for action

BARRIE CLEMENT  
Labour Editor

More than 10,000 employees at Vauxhall are thought to have voted decisively for industrial action in a ballot result due to be revealed today.

Manual workers at the company's Ellesmere Port and Luton plants have been offered a 7 per cent wage increase over two years, compared with a minimum of 9.25 per cent at Ford.

Tony Woodley, national secretary for the motor industry at the Transport and General Workers' Union, said his members were aware that Vauxhall was the most consistently profitable car company in Britain. "They feel strongly that the time has come for their company to pay up for the productivity and profitability."

The ballot result comes in the wake of a series of wildcat strikes at Ford by workers protesting over their offer which involves improvements in pension benefits, but fails to address their claim for a reduction in the working week from 39 to 37 hours.

Union leaders at Vauxhall are expected to call for fresh talks with management and will insist on new proposals which at least match those on offer at Ford.

Mr Woodley said Vauxhall workers were also conscious that elsewhere in the motor industry in Britain - apart from Ford - the working week was less than Vauxhall's 39 hours.

Ford workers are being consulted about the proposed deal prior to a meeting of union delegates from all of the company's plants on Wednesday, which will plan further action.

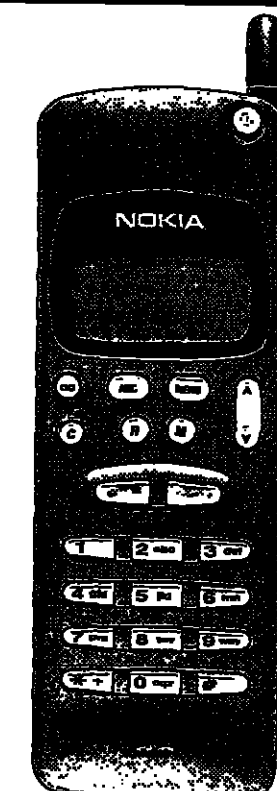
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## IN BRIEF

### UK fights to tighten car ferry safety

Radical proposals to increase the safety of the world's roll-on roll-off ferries to avert disasters like the *Estonia* and the *Herald of Free Enterprise* are being resisted by France and several other European nations.

The plans will be put today to a committee of the UN's International Maritime Organisation in London and a final decision is expected next week. These would involve either the introduction of transverse bulkheads, dividing car decks or fitting outside buoyancy tanks.

If the plans fail transport ministers have said Britain will go ahead to enforce the changes to ferries using UK ports.

### Naomi: man charged

Edwin Hopkins, 19, from Anley Common, Warwickshire, was charged with the murder of schoolgirl Naomi Smith, stabbed to death 200 yards from her home in the village in September. A 45-year-old man and a woman of 42 also questioned were released on bail.

### Car crime alert

Car crime in Britain is twice as bad as anywhere else in Europe, new figures show. One car is stolen every 59 seconds in England and Wales, and 23 cars are stolen for every thousand cars on the road, according to statistics from the insurance company Eagle Star. France is the second worst car crime country with Austria the safest.

### Robberies: two held

A 26-year-old man and a 35-year-old woman arrested on Friday in Small Heath, Birmingham, will appear in court today charged with robbery, assault and false imprisonment following a string of attacks on pensioners in their homes.

### Stress at work

Companies were urged to tackle stress among senior staff after a report by the Institute of Management found record levels of stress. A poll of 1,300 managers in private and public firms revealed long working hours and "extreme anxiety over job security."

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# Brown seeks to undercut Tories in tax battle

JOHN RENTOUL  
Political Correspondent

The political battle over tax cuts in next week's Budget began in earnest yesterday, as Gordon Brown, the shadow Chancellor, defended his "long-term objective" of a 10p-in-the-pound starting rate for income tax.

Mr Brown gave the strongest hint yet that Labour MPs would not vote against a cut in the 25p standard rate. It would do nothing to improve incentives to help people "from welfare into work", he said on BBC TV, but added: "We have got to look at these things over the piece, and millions of lower and middle income people have suffered a huge tax rise in recent years."

Brian Mawhinney, the Conservative Party chairman, refused to concede tax-cutting ground to Labour. "No-one in the country believes that they're capable of restraining their spending instincts so as to afford tax cuts," he said.

Mr Brown linked his plan to cut this starting rate of income tax - which would only come "from the fruits of growth" and "as resources allow" - with changes in the benefits system

to increase the incentive for the unemployed to work. Changes to Family Credit and Housing Benefit would ensure that people claiming in-work benefits would keep all their tax cuts and not have them clawed back in lost benefits.

Today, Mr Brown hints that Labour would raise taxes for higher-income families. Writing in the *Independent*, he says: "All lower and middle-income families would receive the full benefit from the [Labour] tax cut," implying that those on higher incomes would not.

The Liberal Democrats yesterday called for tax thresholds to be raised instead - taking some people out of paying income tax altogether.

Paddy Ashdown, the Liberal Democrat leader, who



Gordon Brown: Wants to aim for 10p basic tax rate

launches his party's alternative "Budget for Education" tomorrow, accused Labour of planning to abstain in a Commons vote "on a Budget that is irresponsible and gambles with the nation's future".

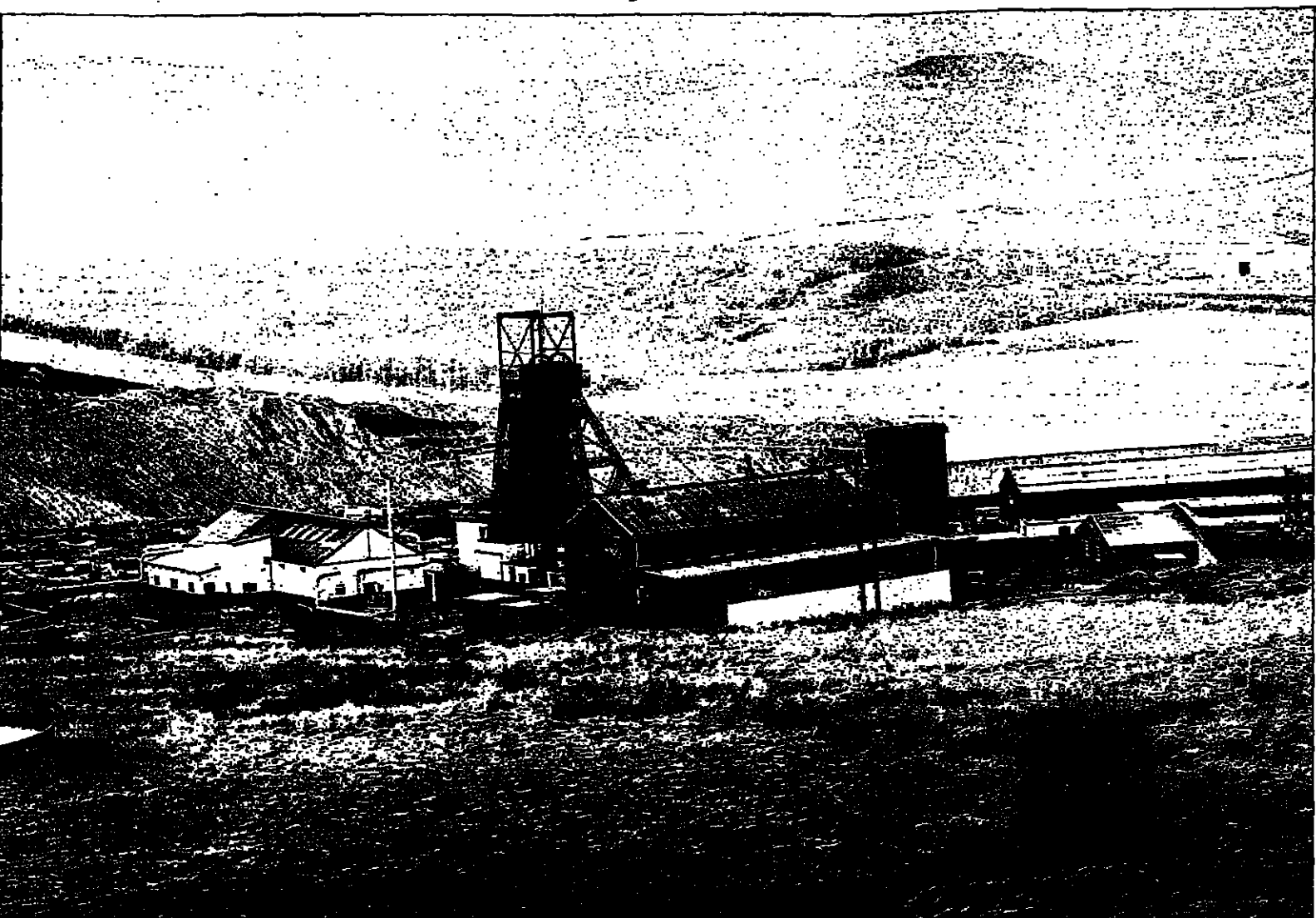
Andrew Dilnot, director of the Independent Institute for Fiscal Studies, backed the Liberal Democrat approach and criticised Labour's plan as "a gimmick". But Mr Brown pointed out that raising thresholds was worth more to the better-off because it reduced the amount of income taxed at the 40p top rate, while a cut in the lower rate was worth the same to all but the lowest-paid.

Meanwhile, an NOP opinion poll in the *Sunday Times* found 41 per cent trusted Labour to take the right decisions about taxes, well ahead of the Tories on 29 per cent. The poll also found that 70 per cent supported an increase in the top rate of tax from 40p to 50p in the pound for people earning more than £50,000 a year.

But the anxiety in the Labour Party over Mr Brown's tax-cutting stance was underlined by John Wells, a former economic adviser to Margaret Beckett in Labour's Treasury team. He announced yesterday that he had left the Labour Party: "There is no way they are going to have a fairer tax system and basically I doubt whether the performance of the economy will be any stronger than under the Tories," he told the BBC's *On The Record*.

Gordon Brown, page 21  
Leading article, page 20

## Industrial revolution: 'Hit-list' colliery on course for £2m profit after takeover



Back in the black: Tower colliery, South Wales's last deep mine. Photograph: Christopher Jones. Below: Pit director Tyrone O'Sullivan. Photograph: Gareth Everett

## Miners strike rich seam of success at buy-out pit

MICHAEL PRESTAGE

After nearly a year running the last deep coal pit in South Wales, the miners at Tower colliery have confounded the sceptics and their former British Coal employers by generating substantial profits and a full order book.

The miners battled against closure, arguing that the pit was potentially profitable and there was demand for the high-quality anthracite that the mine at Aberdare, Mid-Glamorgan, produces. Their belief that factors other than profitability were the issue in the mine's closure appears vindicated.

Full details of the first-year profits will not be revealed until next month, but analysts are predicting a figure in excess of £2m. The bulk is earmarked for investment, but the 239 miners and support staff who put up £8,000 each to fund the workers' buy-out could each receive a £1,000-plus dividend.

Tower had envisaged producing 390,000 tonnes of coal this year. But such has been the success in exploiting new markets that the figure has had to be revised up to 450,000.

The future also looks secure with a full order book for next year, and 60 per cent of the coal output for the following three

years already contracted. The colliery has a turnover of more than £20m a year.

Tyrone O'Sullivan, the former NUM lodge secretary at Tower, and now the personnel manager and a director of the company, has been a driving force behind the success of the workers' buy-out. The pit has also recruited key professional staff, including a number of the former management team from

British Coal. Mr O'Sullivan said: "We haven't tried to turn miners into financial directors. We have gone out and got top people for the senior management jobs. We all knew this pit had huge potential and when we had a meeting and the boys were given a chance to go for a buy-out they were all behind it. Their confidence and hard work has been vindicated."

He said when the workers first took control the banks did not believe coal could be produced immediately and they wanted to lend money to tide Tower over the first few months.

It was not needed. There were 2,000 tonnes of coal on the first day and 8,000 in the first week.

Pay and conditions are unrivalled anywhere in Britain. A surface worker is on a basic weekly wage £70 higher than any other pit, and no man goes underground for less than £303.

Miners at Tower had a reputation for militancy but Mr O'Sullivan believes this was due to British Coal's management approach. He cites an example sick pay. Miners got only 80 per cent of their wages when sick because British Coal claimed absenteeism would soar if they were given full money. That policy has been changed and the absence rate this year has been 0.03 per cent.

Mr O'Sullivan said: "There is a great spirit here. Everybody wants to see the company do well. They have a stake in its future and are in charge of their own destiny."

The local community is also benefiting. Wherever possible, work that has to be contracted out goes within the Cynon Valley, and £18,000 has been given in sponsorship to local organisations.

Mining at the Tower site began in 1864, and a visitors' centre is being created to celebrate its history. The miners' efforts have now ensured the future.



## Dewar denies clash over Labour 'workfare' plan

JOHN RENTOUL

The Labour leadership attempted to close ranks yesterday behind Gordon Brown's "workfare" style plan for the young unemployed, as an internal party row refused to die down.

Donald Dewar, Labour's chief whip, and Mr Brown dismissed suggestions of a Shadow Cabinet bust-up over the way the plan was launched.

At a news conference 10 days ago, the shadow Chancellor outlined four choices for young people - in-work training, a green task force, voluntary work or full-time education - and said that, if they did not take up any of them, their benefit would be cut by up to £17 a week.

The idea of benefit cuts is not Labour Party policy and had not

been discussed beforehand, although Mr Brown's aides point to a phrase in the economic policy document approved by the Brighton party conference about the "obligations" of the unemployed to take the opportunities offered to them.

Mr Dewar yesterday rejected the suggestion that Mr Brown was "out of control", making up policy as he went along. "The idea of Gordon Brown out of control seems to me to be a very unreasonable and unlikely phrase for him," he said on the BBC's *Breakfast With Frost* programme.

The essence of the conflict is the rivalry between Mr Brown and Robin Cook, Labour foreign affairs spokesman. But Mr Cook is also more liberal, and could be expected to oppose the ele-

ment of compulsion in Mr Brown's plan.

However, other Shadow Cabinet members who might have been expected to share Mr Cook's reservations supported the plan in public. Last Thursday, Margaret Beckett, industry spokeswoman, and Michael Meacher, employment, welcomed it, saying that there has always been some compulsion in the welfare system. It is understood that Mr Brown's colleagues were more annoyed about the lack of consultation than the content of the plan.

A spokesman for Tony Blair, the Labour leader, said the Observer's account of last Tuesday's Shadow Cabinet meeting was a "travesty of what actually took place". Mr Brown described it as "absolute nonsense".

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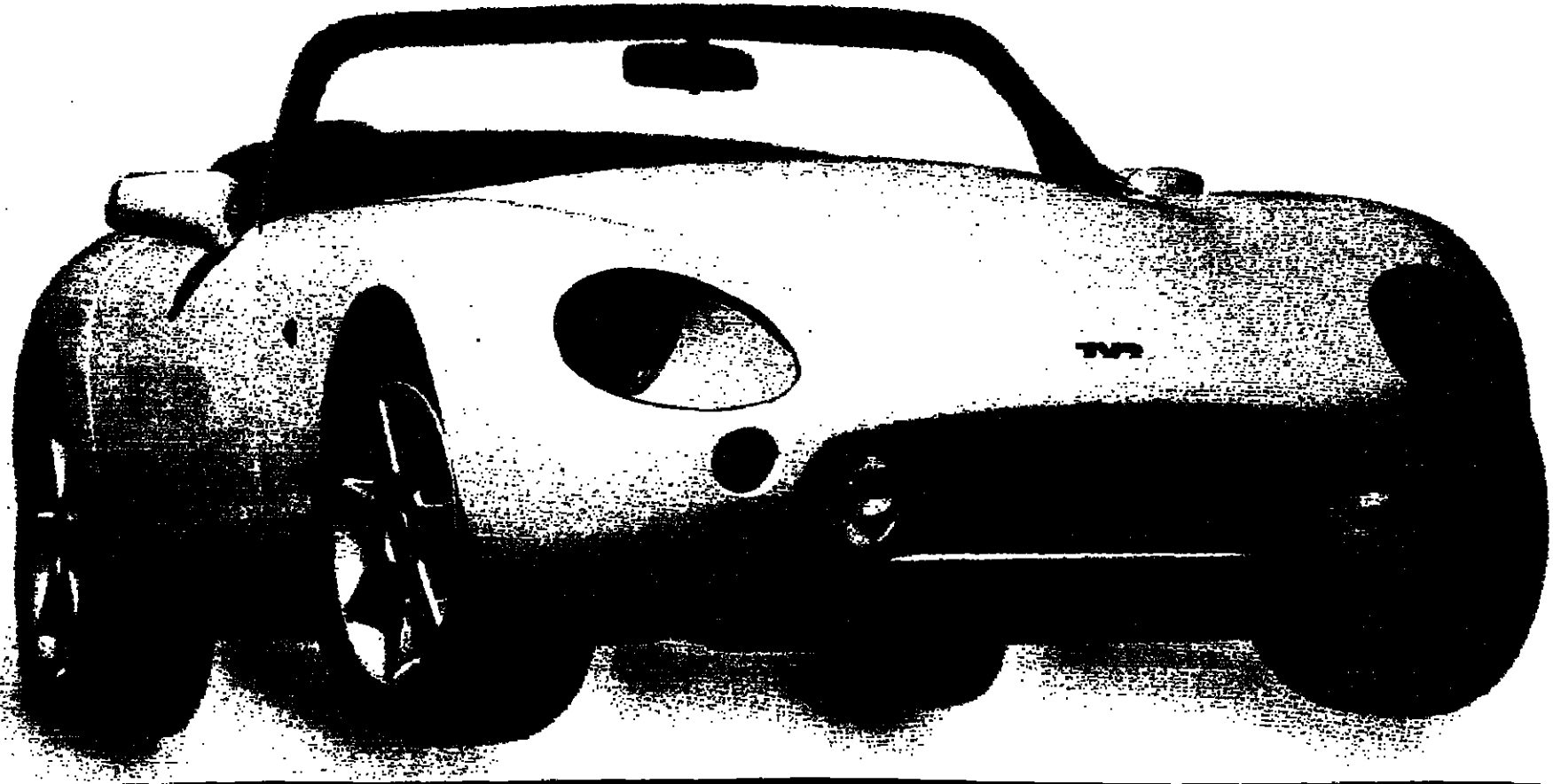
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## news

## Cunard denies claim that QE2 is bad for your health

DANNY PENMAN

The owners of the QE2 denied yesterday that hygiene standards on the ship were so low that they posed a serious danger to passengers' health.

A leaked report from Southampton Port Authority listed a catalogue of failings in equipment and procedures that created a "serious and unnecessary risk" to passengers on board the ship who can pay up to £16,000 for a cruise.

During one visit last year, inspectors found water leaking through a light fitting and on to a meat slicer in the ship's galley and a missing air vent cover that allowed a "copious filthy black debris" to blow on to surfaces used for food preparation.

Last December, they found the galley had cracked and dirty wash basins which prevented the crew from cleaning their hands properly before handling food; broken lavatories still being used by galley crew; showers overflowing with stagnant water and food being stored in broken refrigerators.

The problems were initially identified after an inspection on 17 December, just before the ship embarked upon a disastrous Christmas cruise after a £30m refit. Defects in the kitchens were again highlighted on 15 October this year.

In between, Trafalgar House, which owns Cunard, said the kitchens had consistently passed health checks and had been given the highest possible rating by the public health authority in the United States.

"The incident on 15 October was an isolated one, arising when the ship's crew were working flat out to turn the ship around quickly after it arrived late in Southampton," a company spokesman said. "The inspectors boarded and found a kitchen that had not yet been cleaned. It was of course prop-



Tucking in: Passengers (above) serving themselves to food on board the QE2 (below), on which hygiene standards have been questioned

erly cleaned before the ship sailed and was re-inspected on October 25 when the ship next returned to Southampton. The inspectors commented favourably on that occasion."

In his report after last December's incident, the inspector said that in his view "many of the catering staff and waiters would have presented themselves for work without having been able to use satisfactory sanitary facilities. They were then unable to properly wash their hands during food preparation

and service. Each of these events on their own present serious unnecessary risk to the health of your passengers and crew but in combination show an appalling lack of concern and control by your organisation."

The company's spokesman said inspectors had ordered Cunard to implement a new system of management and control systems to try to prevent similar incidents in the future. "Cunard is actively doing this and is confident the authorities will be fully satisfied."



## Publishing group to go on-line with magazine

MATHEW HORSMAN  
Media Editor

A stampede into electronic publishing is expected to follow Condé Nast's launch of a "virtual magazine" on the Internet.

The product, focusing on entertainment, news and fashion, will join the publisher's existing Internet site, called Condé Nast World Server, over the next few weeks, where excerpts from other group magazines, including *GO*, are already available.

The company has spent "well into six figures" launching the service, but expects advertising revenue to cover costs virtually from the start.

Until now, there have been doubts about the commercial viability of publishing over the Internet but now other publishers will push forward their own Internet plans.

The company will today announce the new editorial and commercial team hired to develop the venture. They include Rhys Williams, formerly a journalist with the *Independent*, as editor, and Jacqueline Euwe, former advertising manager at *Vogue*, who will become commercial director.

Nicholas Coleridge, managing director of Condé Nast, said the decision to launch a new product was taken on the strength of interest generated by the existing service. "We tested our site for six weeks and logged a lot of use. That has emboldened us to enlarge the service."

He added that the new Internet product will use existing Condé Nast material from its stable of magazines, but will also commission original work and refresh the site regularly. Archive material from the company's impressive library will also be on offer periodically.

The service will be advertiser-funded, but could generate subscription fees in the future, provided secure payment systems can be developed. "We are definitely looking at the ques-

tion of secure credit-card transactions," Mr Coleridge said. "But we believe there is sufficient interest from advertising companies and clients to make this work."

Condé Nast, which also publishes *Vanity Fair*, has a similar service up and running in the US, Condé Net.

The American market for electronic publishing has developed more quickly than in Europe, with most major magazines - including the *New Republic*, *Harpers* and the *Economist* - already making at least some of their products available on the Internet.

Last week, the celebrated



New horizons: Gearing up for an electronic future

political journalist Michael Kingsley, formerly of the *New Republic*, confirmed that he was to edit a virtual magazine backed by Microsoft, the software giant. It will be available through the Microsoft Network, launched earlier this year on the Windows 95 software package.

The move convinced many US publishers that the market was about to take off, and Condé Nast's entry into the UK market is seen as similarly trend-setting.

Ten staff have been hired by Condé Nast in addition to the editor and commercial director. Mr Coleridge said the enlarged service would be available to in-

## Employers prejudiced against new universities

BARRIE CLEMENT  
Labour Editor

Employment prospects for graduates are poor and likely to get much worse, with job-seekers from the old polytechnics facing the added disadvantage of "in-built prejudice" from employers.

The number of degree-holders is set to increase by nearly

six times more than the available jobs, according to an annual study of employment opportunities published today. While the number of graduates next year is expected to increase by 14 per cent, vacancies are likely to rise by only 2.4 per cent. Industrial Relations Services has found.

In a survey of nearly 200 organisations employing more

than 1 million people, more than a quarter of employers said they expected to cut graduate intake next year.

As part of a "remarkable" change in the market for degree-holders, the biggest recruiters were the most likely to predict lower vacancy levels. More than 40 per cent forecast a lower intake. Small and medium-sized enterprises are taking

an increasing proportion of university output.

The authors say that the "massive shake-up" in higher education in the last few years has led to a dramatic increase in the quantity of new graduates entering the market.

There is now an unofficial "two-tier" approach by employers, the IRS Employee Development Bulletin found. In

contrast to previous surveys, there was an in-built prejudice against the new universities.

An increasing number of employers felt the old polytechnics were producing low-calibre graduates. Equally worrying was the fact that most employers felt the teaching at new institutions was not more relevant to business.

More than a third of re-

spondents reported dissatisfaction with graduates' business awareness - a substantial increase on last year's finding.

The report said that starting salaries reflected employers' lack of confidence. This year's average starting pay was £13,959 - a rise of only 3.3 per cent on 1994. The prediction for next year is 3.2 per cent, below the expected rate of inflation.

## Self Assessment

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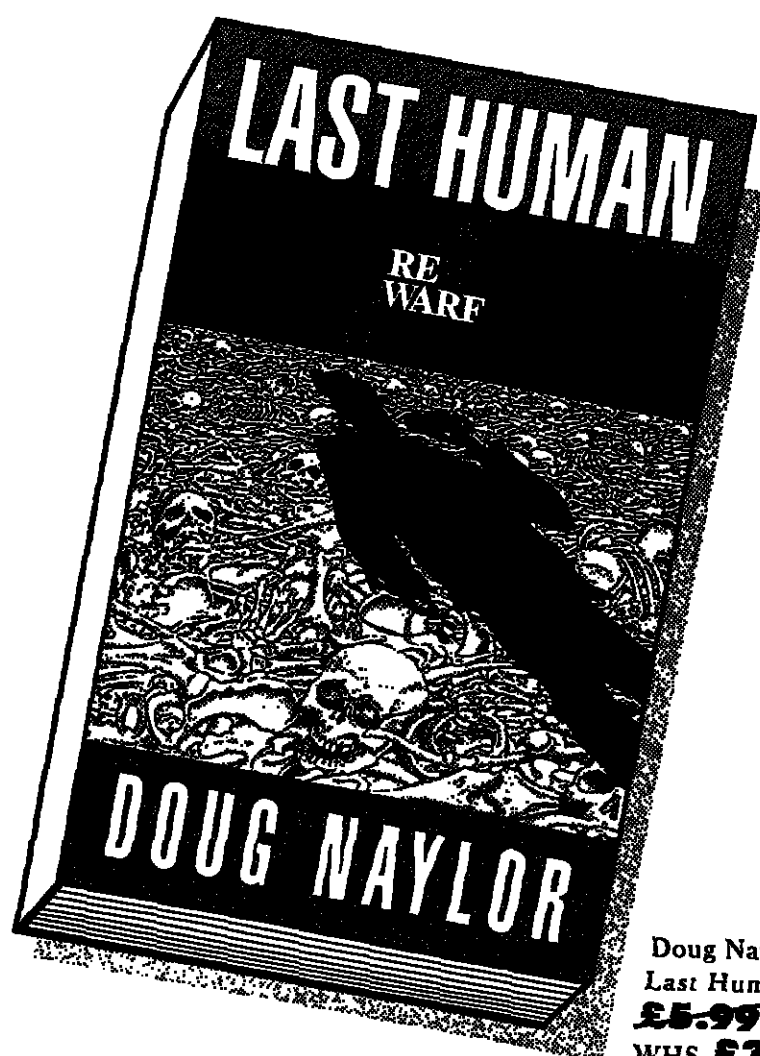
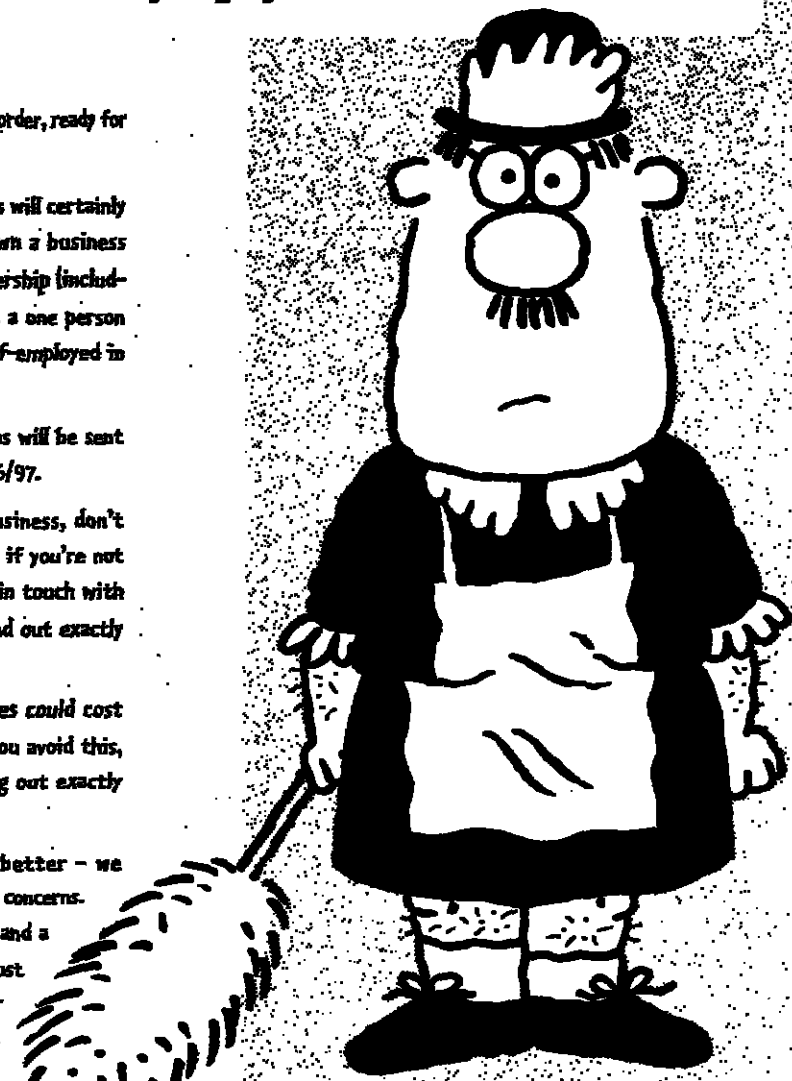
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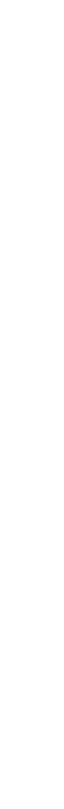
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A recent Money Management magazine survey exposed a number of pension providers whose charges exceed 30 per cent of their customers' premiums. What might be called 'over-charging' does appear to be happening. Of course, there's no such thing as a free pension. Setting up the plan requires administration, and the fund must then be carefully managed for up to 25 years or more - this costs money. The question you have to ask yourself is: are these costs unreasonably high? Midland has recently been selected by the same Money Management survey as among Britain's lowest-cost pension providers. We have a policy of clearly explaining to every customer how much and when you will be charged, and what costs these charges cover. To arrange an appointment with a Midland Financial Planning Manager, call us on 0800 65 65 65.

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MUS/11

# Bosnia talks: Hopes rise that Dayton is on the brink of ending Europe's bloodiest conflict since the Second World War

## Balkan peace deal set for signing today

RUPERT CORNWELL  
Washington

President Franjo Tudjman of Croatia was heading back to the Bosnian peace talks in Dayton, Ohio yesterday, in the clearest sign yet that 19 days of non-stop negotiation at a Midwestern air-force base were on the brink of producing a deal to end the bloodiest conflict in Europe since the Second World War.

As the three delegations from Bosnia, Serbia and Croatia were making a last push to tie

up an accord, optimism was being tempered by renewed demands from the Bosnian government for a written guarantee of US arms to counter Serb superiority in the region - demands which sources described as a "potential deal-breaker" if pushed to the limit.

Acknowledging these last-minute doubts, Nick Burns, the State Department spokesman, insisted yesterday that the outcome could still "go either way". The one certainty is that the largely secret talks in a

complex at Wright Patterson air force base at Dayton will wrap up today. "An event," in State Department parlance, has been scheduled for 10am, which will be either a ceremony at which a draft treaty will be initiated - or an announcement that the most promising attempt to end the three and a half year war has failed.

The signals were that it would not. Speaking at Zagreb airport, Mr Tudjman said a deal was on the cards. "If not, then they would not call me back. The

talks would be finished by Monday," he told reporters. "It is expected an agreement will be initiated then."

Spurred by increasingly impatient international mediators, led by the US Secretary of State, Warren Christopher, in person, Presidents Slobodan Milosevic of Serbia and Alija Izetbegovic of Bosnia were reported to be close to resolving the issues which from the outset have been the most difficult. These include the precise division of Bosnia between the

Muslim-Croat federation and the Bosnian Serbs, the future constitution of Bosnia, the Bosnian Serb areas in the east and north-west and the status of Sarajevo and the corridors linking that city with the remaining Muslim stronghold of Gorazde in eastern Bosnia.

Indications have been multiplying that the climax is at hand. First, Mr Christopher returned to Dayton from the Asian-Pacific summit in Osaka, Japan. Then the Bosnian Foreign Minister, Muhamed

Sacirbey, announced his resignation - because he had been largely ignored at key moments of decision, but also to clear the way for a Croat to be appointed to one of the country's most senior posts. This would bolster the shaky Muslim-Croat federation as it proceeds to take charge of 51 per cent of Bosnian territory. Yesterday, translators were working on the final text of documents which would be initiated today.

Thus far the Dayton summit has yielded two partial accords,

one reinforcing the alliance between Muslims and Croats, the other providing for a peaceful return to Croatia of East Slavonia, seized by the Serbs at the outset of the war. But the heart of the issue has been the future of Bosnia, and even with a Dayton agreement, major obstacles will remain.

In the short term, President Bill Clinton must sell the planned deployment of 20,000 US ground troops to a hostile Congress and an unconvinced public, and prevent Bosnia from

being entangled in the bitter debate over the US budget.

Thereafter looms the issue of arming the Bosnians. According to Mr Burns, Muslim demands will not be dealt with in the settlement. But even if that is acceptable to Mr Izetbegovic, it may not be to some Nato members, who argue that Washington cannot provide the backbone of a neutral peace-keeping force, and be a declared ally of one of the parties to the conflict.

Leading article, page 20

## School food is no joke for the children of Sarajevo

EMMA DALY  
Sarajevo

School food, that butt of jokes the world over, is not only much sought-after in Sarajevo but is vital to many of the city's children, particularly the refugees whose families were forced to flee empty-handed and who survive on humanitarian hand-outs.

That is why the International Red Cross began an effort more than a year ago to provide all Sarajevo children aged 7-14 with a glass of milk and a sandwich every day during term time. It is one of the projects which the Independent Children of War appeal will support.

The sounds and sights of the Malta primary school in new Sarajevo are universal but the jarring notes remind you this is Bosnia: a large Unicef poster with the silhouette of two boys bending over the tailfin of a rocket embedded in the ground with the warning, "Unexploded bombs. Don't go near and don't touch." And the children bundled up in scarves, gloves and bulky jackets inside the building - there is no heating, despite the bitter winter.

"Good morning," chorus the 30-odd eight-year-olds in Biljana Kostic's second-year class, one of the few English phrases she has taught her pupils. They sing "Frère Jacques", again in English, for us and giggle at the questions.



"I like maths and Bosnian language lessons," said Nijaz, a thin, dark boy. "It used to be Serbo-Croat, now it's Bosnian," Ms Kostic explains.

The atmosphere is jolly and the children well behaved, but there is still a hint of anarchy unusual among a group so young, another effect of the years of war and the collapse of authority. "You can see that wildness in them, a kind of aggression," Ms Kostic said.

Arnel, who has placed his sandwich to one side and has no cup for his milk, is a refugee from Foca, a Muslim-majority town in south-eastern Bosnia viciously "cleansed" by Serb troops in 1992. "My house was destroyed. I was not upset. I remember Foca from before the war, my friends," Arnel says. Ms Kostic is worried about him: he cannot read or write well and should be in a lower class, but it is difficult to contact his parents to discuss the issue.

The school administrator, Rabija Sofic, emphasises the importance of the daily hand-out. "There is often no milk in Sarajevo, or if there is many

people cannot afford it, so these snacks are very important. We really want this project to continue for as long as possible."

It is not only needed on the government side of the line: the project benefits more than 47,000 school-children in 73 schools, 29 of them in Serb-held territory. Conditions in Grbavica, the rebel area of central Sarajevo, are often as bad as in the rest of the city, though prices are lower.

The German Red Cross, which administers the programme, distributes flour and milk powder to local bakeries and dairies, which in turn deliver to schools. The cost is 780,000

marks (£356,000) per term, or about £4,700 per school. The project was interrupted last March, when an increase in shelling and sniping forced the government to close schools, but with the hope of peace Malta reopened for the winter term on 15 September.

As break-time begins after a maths lesson, Ismar, who sits next to Arnel, asks if he can sing a song for us. He stands like a small but determined soldier, and sings of the wind rushing above the sea. Most of the children, who were four when the war began, know the seaside only from photographs, distant memories and Ismar's song.



Much needed: Two girls at Malta primary school enjoy their vital daily Red Cross snack Photograph: Kevin Weaver

## Walesa and poll rival neck-and-neck

ADRIAN BRIDGE  
Warsaw

Poles braved wind and snow yesterday to vote in a presidential election that has underlined the extent to which the country remains divided six years after Communism collapsed.

An early exit poll showed President Lech Walesa and Aleksander Kwasniewski, his challenger, running close, with 50.35 per cent backing Mr Walesa, against 49.65 per cent for the Social Democrat Mr Kwasniewski. For many, the election represented a re-run of the battle between Poland's Communist rulers and the Walesa-led Solidarity movement that brought it down.

"I am voting for Mr Walesa

because I do not want the Reds to come back into power," said Zdzislaw Skomiatlow outside his polling station in Warsaw. "Even if it meant going barefoot with Walesa as president I would willingly do it. He deserves praise for having got rid of the enemy after 40 years."

The reopening of the Solidarity-Communism divide has favoured Mr Walesa, whose performance over the past five years has been criticised by both enemies and former allies.

According to Mr Kwasniewski, a junior minister in the last truly Communist government, it has been a false debate, distracting attention from the really important questions about Poland's future.

In addition to SLD stalwarts,

Mr Kwasniewski looked set to gain support from Poles too young to remember life under Communism and who were attracted by his good looks, quick wit and slick campaigning style.

"Mr Kwasniewski is clearly the better of the two," said Pawel Chmielewski, 19. "He may have his roots in Communism but I think we have to believe him when he says he will not repeat the mistakes of the past. It is clear that there can never be a return to Communism." For all their antagonism, there are no fundamental differences in the candidates' policy goals.

Both support membership of Nato and the European Union and both declare themselves to be in favour of further

market reforms. In the first round of the election two weeks ago, Mr Kwasniewski outvoted Mr Walesa by 35 per cent to 33 per cent. The remaining votes went to 11 other candidates, who then dropped out of the race.

With some opinion polls yesterday predicting a win for Mr Kwasniewski, the Catholic Church leapt into the fray. Priests urged believers to vote for the candidate they believed to be "closer to God", a veiled reference to Mr Walesa, a devout Catholic and father of eight.

Poland's Primate, Cardinal Jozef Glemp, called the election "a choice between two people and two value-systems: a set of Christian values and a system that I would call neo-pagan".

## Nostalgic few honour Franco

ELIZABETH NASH  
Madrid

Scarlet-and-gold flags emblazoned with the fascist eagle fluttered in the midday sun as the veteran nationalist Blas Pinar ranted at the foot of Madrid's only equestrian statue of Francisco Franco. "Democracy is weak, the country is sad. Let us revive the dreams of a great and united Spain. *Arriba España!*"

Among up to 5,000 enthusiasts, including old and young, arms shot aloft in fervent response. A smart-suited woman turned to her companion, her curvilinear lips trembling. "They should never have handed over power to the King. That was the big mistake." But those who rallied yesterday to mark today's 20th anniversary of the death of the dictator are a small, splintered minority dubbed *nostalgicos* by the media. "We've been inoculated against fascism," shrugged a Spanish friend this week.

Most Spaniards - 76 per cent according to a survey published yesterday - overwhelmingly support the democratic system. Just 15 years ago, the proportion was 49 per cent. And the standing of King Juan Carlos has never been higher. Some 73 per cent think the transition to democracy would not have been possible without him and 79 per cent see the monarchy as a guarantee of order and stability.

If the diminishing numbers of



In waiting: General Franco (right) with his successor, King Juan Carlos, seven months before Franco's death

Franco's followers, flanked yesterday by a clutch of German visitors in jackboots, remain intransigent, many Spaniards have softened their attitude towards Franco's 36-year rule. *Francismo*, the survey found, is seen by 63 per cent of young Spaniards as having both good and bad aspects.

Gregorio Pees-Barba, a Socialist who fought Franco and became one of the founders of the 1978 democratic constitution, said recently that the peaceful transition from dictatorship to democracy was made possible only by the consensus reached among all political forces after Franco's death.

"Of course not everyone agreed with everything in the

constitution," Mr Pees-Barba says. "But we tried to avoid including anything that was intolerable to anyone." This pursuit of consensus broke the pattern of more than a century during which Spanish constitutions had been forcibly imposed and reimposed by one half of the country on the other, culminating in civil war and dictatorship costing hundreds of thousands of lives.

Part of the price of a consensus stretched from republican Communists to Franco's ministers was what became known as "the pact of forgetting": what most participants in the transition process saw as a necessary sweeping away of old rivalries and feel-

ings of blame and revenge in favour of a clean slate. "To keep making history you have to forget the past," said the Basque commentator and philosopher Fernando Savater recently.

But many feel that the pact of forgetting left corners of Spanish politics unreformed. Among them were the police and the civil guard, enabling illegal government anti-terrorist squads to wage a campaign of covert aggression against suspected Basque separatists in the Eighties. Twelve years on, disclosures about the dirty war are causing the worst crisis to face today's Socialist government.

Many old rivalries and feelings of blame and revenge were not forgotten at all. In a casual conversation about voting intentions, a public relations executive in his early 50s who seemed studiously apolitical, which in Spain usually indicates conservative sympathies, suddenly became agitated. "I could never vote for the [conservative] People's Party because it contains ministers of Franco who were responsible for executing people," he said.

His comment illustrates a widely held view: if Spain's fascists no longer have a constituency, it is partly because the vestiges of the far right can find a home in the democratic opposition. Which, if true, perhaps indicates the strength, rather than the weakness, of Spain's 20-year-old democracy.



# international

Rabin inquiry: Details of deal with right-wing informer fuel row over agency's security lapses

## Killer's ally 'spied for Shin Bet'

PATRICK COCKBURN  
Jerusalem

Avishai Rabin, head of the extreme-right Eyal group and friend of Yigal Amir, the assassin of Yitzhak Rabin, the Israeli prime minister, was a paid informer of the Shin Bet internal security agency over the past two years. It gave him the codename Champagne and promised to ignore Eyal's activities in return for information about right-wing extremists, according to Israeli press and television reports.

The disclosure that Mr Rabin may have worked for the Shin Bet will further inflame the

dispute about how it failed to know about the plot to kill Rabin. Rabbi Benny Elon, a right-wing activist, said: "I knew, and many people knew, that the one working most closely with Rabin was Yigal Amir."

Mr Rabin, 27, like Mr Amir, went to the conservative Bar-Ilan university near Tel Aviv and founded Eyal two years ago. It was always a small organisation, with perhaps as few as 20 members. Mr Amir was closely associated with it even if he was not formally a member.

The interrogators of Mr Rabin are reported to believe that other members of his group suspected he was a mole for the

Shin Bet and did not tell him about their plans to kill Rabin. Four days after Rabin was killed, Mr Rabin was arrested. He was held for nine days then mysteriously released.

He has been ordered by the court to stay at his parents' home and not go back to the settlement of Kiryat Arba, near Hebron. He is also forbidden to talk to the press, although he is said to have denied being an informer.

Mr Amir says that while people knew about plans in general terms, he did not tell anybody about his intentions on the night of 4 November, when he finally got his opportunity to

shoot the prime minister. Margalit Fiar-Shefi, another Bar-Ilan student said by police to be at the heart of the conspiracy, continues to deny that she knew about it.

The head of the Shin Bet, known by the codename K, was the first person to give evidence to the official government inquiry into the assassination, which began yesterday. Most testimony will be given in private, to protect the identity of Shin Bet officials and their informants.

The three-man commission of inquiry is headed by the recently retired head of the Supreme Court, Meir Shamgar, and has limited terms of reference. But it will examine why the Shin Bet was unable to identify Mr Amir as the young religious Yemeni whom Shlomo Halevi, a student who had learned about the assassination plan from his girlfriend, had told the agency in June was planning to kill the prime minister.

Criticism of the Shin Bet's failings has reopened a bitter dispute which raged earlier in the year over the appointment of K. Ironically, K was primarily criticised by the right for concentrating too much on the violence of settlers. They put up posters giving his name and home address.

Despite the fact that K turned out to be correct — and his opponents wrong — in his diagnosis of direction of the threat facing Israel, he is now under attack from the right.

In the *Jerusalem Post*, Uri Dan and Dennis Eisenberg say Israelis are demanding that the Shin Bet chief "quit and make way for a professional of repute, someone who will return the organisation to the days when it was the pride of the nation." It emerges, however, that a gripe of the security men most opposed to K is that he is hostile to Israeli settlers on the West Bank and prepared to co-operate with the PLO.

### IN BRIEF

#### Catalonia poll could signal Spanish trend

Barcelona — Voting began yesterday for a new Catalanian parliament in a poll that could signal trends for an early Spanish general election expected in March. Five million voters are electing 135 deputies to the regional parliament, with the incumbent centrist *Convergència i Unió* (CiU) nationalist coalition hoping to retain its absolute majority. In the last legislative elections in 1992, CiU won 70 seats with 46.1 per cent of the vote, to the Socialists' 40 seats with 27.5 per cent. The latest opinion polls indicated seven seats with 5.9 per cent. The latest opinion polls indicated the CiU would take between 65 and 68 seats. It needs 68 for an absolute majority. The Socialists, who govern at national level, could drop to between 31 and 35 seats.

#### Apec leaders promise to free Asian trade

Osaka — The 18 leaders of the Asia Pacific Economic Co-operation forum ended their third summit meeting yesterday with individual promises of trade liberalisation, but failed to quell growing doubts that the organisation can achieve its goal of free trade by 2020, writes Richard Lloyd Parry. "We have, with Osaka, entered the action phase in translating this vision and these goals into reality," ran the concluding declaration. But the only announcement which caused much surprise came from the Chinese President, Jiang Zemin (above right), who promised to reduce trade tariffs by 30 per cent from next year, a step towards China's eventual membership of the World Trade Organisation.

#### Ban on women priests is infallible

Vatican City — In a drastic move, the Vatican has attempted to slam shut the debate over women priests by declaring that the ban on their ordination is an infallible part of Catholic doctrine that cannot be disputed or changed. Dissident Catholic groups said the move was potentially divisive, pointing out that polls say many Catholics would approve of women priests. The Congregation for the Doctrine of the Faith, the Vatican body that oversees doctrinal issues, issued a statement at the Pope's request in an attempt to clear up lingering doubts about the definitive nature of his 1994 letter on women priests. The Congregation said Catholics should see the 1994 letter as applying "always, everywhere and to all faithful". The method chosen to stress the definitive nature of the ban stopped just short of the most solemn form of declaring something infallible — when the Pope does it himself, speaking *ex cathedra* (from the throne).

#### Peace award for Nigerian general

New Delhi — The former Nigerian head of state, General Oluksun Obasanjo, has been awarded this year's Indira Gandhi International Prize for Peace, Disarmament and Development. "General Obasanjo, who was head of state of Nigeria and voluntarily gave up military rule and invited a civilian government to take over, has been chosen for the award," an Indira Gandhi Memorial Trust spokesman said.

#### Moi denies friendship with Rwanda leader

Nairobi — Kenya's President Daniel arap Moi is denying that he was a personal friend of Rwanda's late president. The Kenyan leader said that President Juvenal Habyarimana was closer to a minister in the Moi Cabinet who now leads an opposition party. Mr Moi said he would not allow his friendship with Mr Habyarimana to colour his views of the international tribunal set to try people who planned and carried out the genocide.

#### Uninvited wedding guest goes free

Copenhagen — An elegantly dressed Frenchman who walked past security and officials to attend Saturday's royal wedding without having an invitation, was released after a night in detention. Claude Khazizian had been invited by the *Ekstra Bladet* tabloid to carry out the stunt. No charges were pressed against Mr Khazizian, who was detained after the wedding of Prince Joachim of Denmark and Hong Kong-born British commoner Alexandra Manley. AP

## Arafat visits 'freed' town

Jerusalem — Yasser Arafat, chairman of the Palestine Liberation Organisation, yesterday paid his first visit to Jenin, the first of six towns on the West Bank from which Israeli troops will withdraw before Christmas, writes Patrick Cockburn.

He told thousands of cheering Palestinians they had been "liberated" under a peace deal which would continue despite the assassination of the Israeli Prime Minister, Yitzhak Rabin. Protected by hundreds of bodyguards Mr Arafat arrived for his four-hour visit by helicopter from Gaza.

Mr Arafat said: "The peace process goes on. Nobody will be an obstacle, especially those who use their guns for assassination. My brothers, this is the peace movement in the land of prophecy and so we should put our hands together in order to build the Palestinian state."

"It's a great day," said Ihsan Jamrawi, an engineer in Jenin. "Our dreams have come true and we saw Yasser Arafat in the liberated land of Palestine."

Elsewhere in the West Bank, 10 Palestinian police officers arrived in Tulkarm to prepare for Israel's withdrawal from there next month.



Protection force: Yasser Arafat, surrounded by PLO security guards, addressing the people of Jenin yesterday

Photograph: Khaled Zighar/AP

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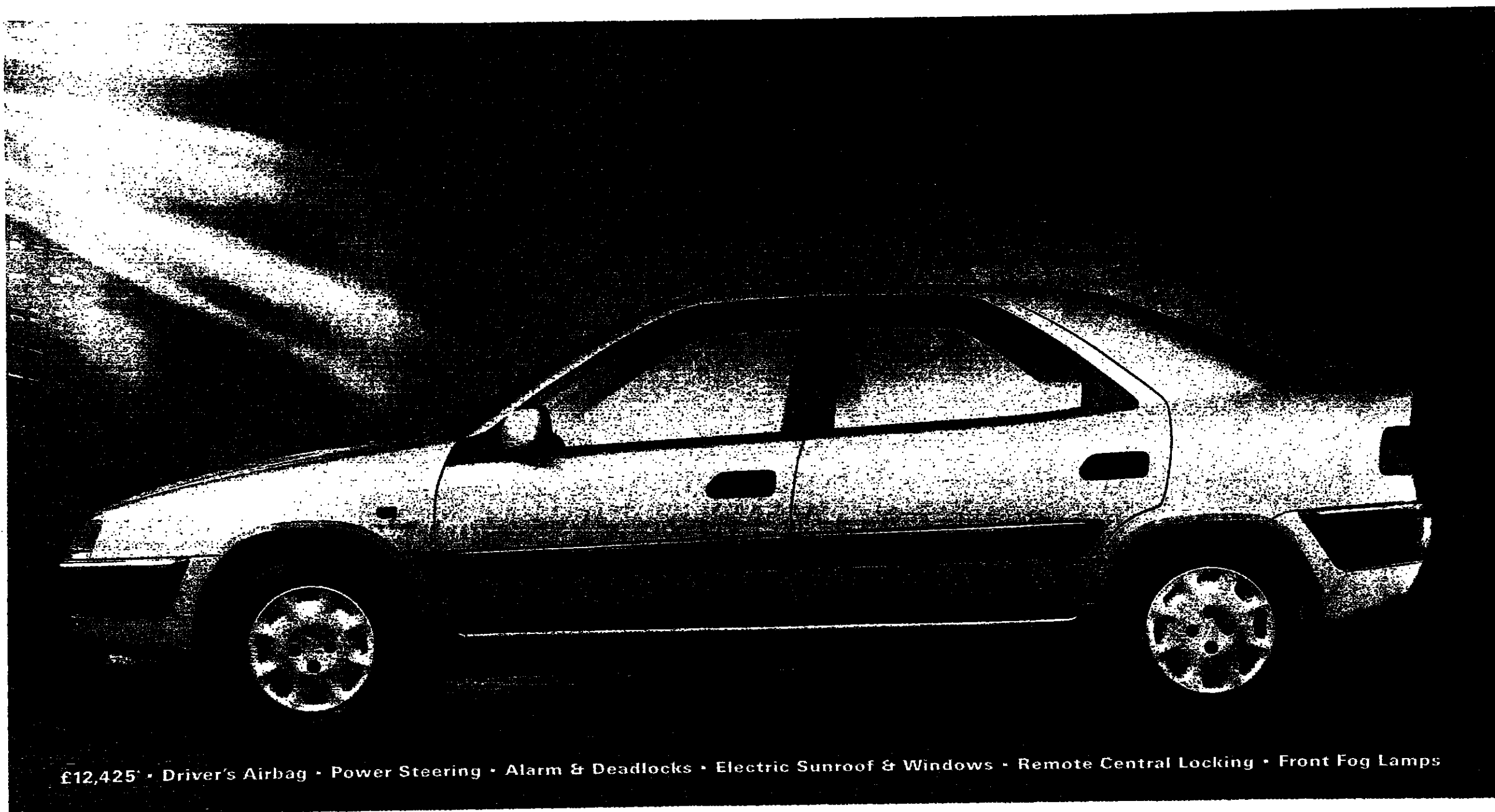
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# Mulroney sues police over bribery allegations

HUGH WINSOR  
Ottawa

Brian Mulroney, the former Canadian prime minister, has announced he is launching a C\$50m (£24m) libel suit against the Canadian government and the Royal Canadian Mounted Police because they have named him in an investigation into possible bribery involving the purchase by Air Canada of 34 passenger jets from Airbus Industrie.

At the time of the purchase in late 1980s, Air Canada was a state-owned airline and its equipment procurement plans had to be approved by the Cabinet. Mr Mulroney was Prime Minister from 1984 to 1993, after which his Conservative Party evaporated at the polls.

In a statement issued at the weekend, Mr Mulroney confirmed he had been named in a request from the Canadian Justice Department to Swiss authorities for help in the investigation of an alleged criminal conspiracy. The request also asked the Swiss to freeze several bank accounts in Zurich and to permit the RCMP access to them.

But Mr Mulroney denied he had ever attempted to influence Air Canada's purchasing decision and said he had never received any money from anyone in connection with the Airbus deal. He also said he holds no bank account in Switzerland or anywhere else outside Canada.

The former prime minister is claiming C\$25m in personal damages and C\$25m punitive damages which he has said he would give to charity if the suit was successful. There are no precedents, however, for anyone successfully suing the RCMP for including him in a criminal investigation.

There have been rumours about commissions paid on the Air Canada purchase of the Airbus 320s ever since the Airbus consortium beat Boeing for the

contract when Canada's largest airline decided to re-equip its short-haul fleet. The rumours have always circulated about the role of Frank Moores, a close Mulroney associate, formerly the Newfoundland premier and once a Conservative MP in Ottawa.

Mr Moores was one of the main financial backers of Mr Mulroney's successful bid for the Conservative Party leadership in 1983. After Mr Mulroney led his party to victory, Mr Moores established a consultancy firm in Ottawa to lobby the government. He maintained his access to the prime minister.

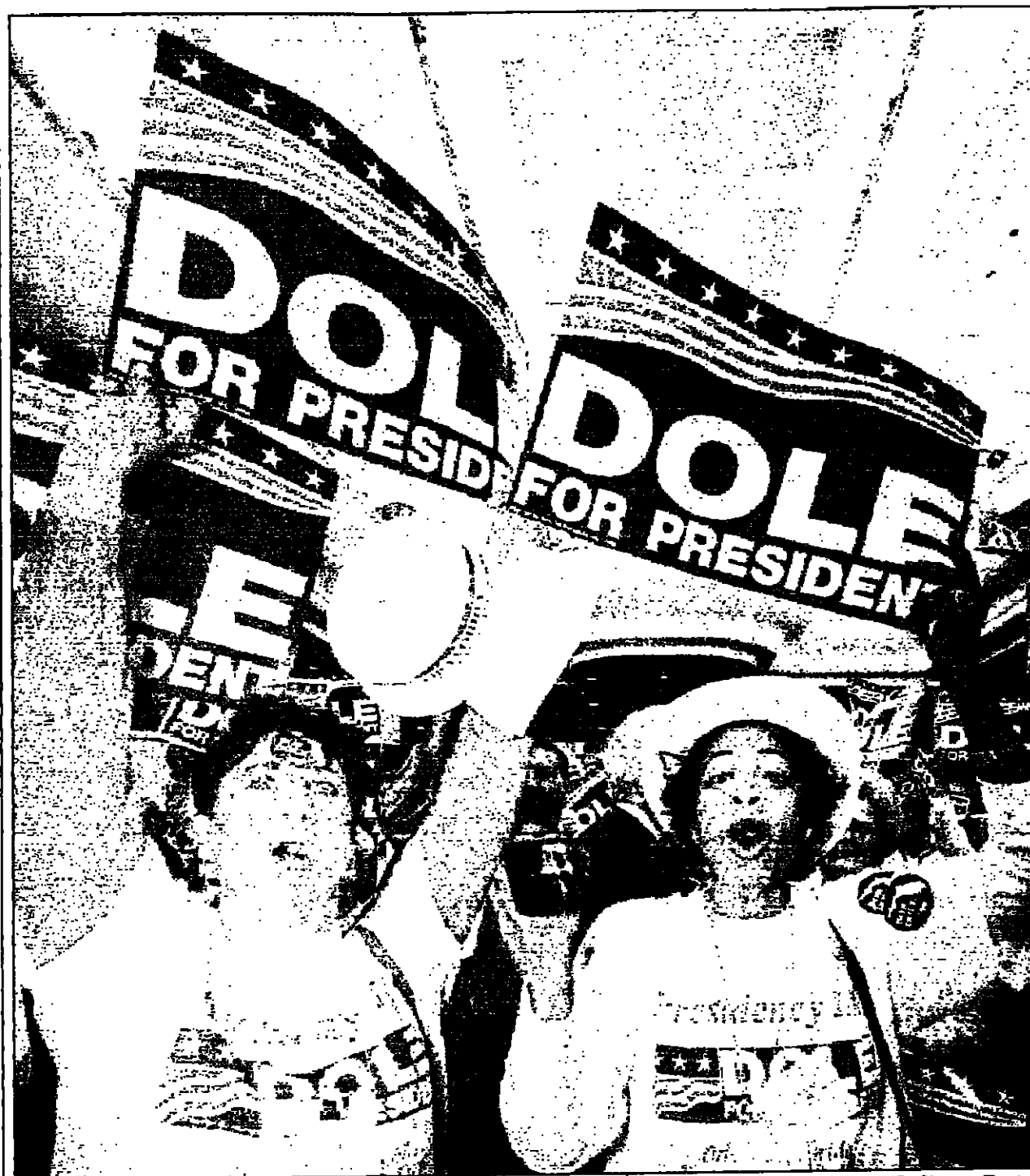
Mr Mulroney had appointed Mr Moores to the board of directors of Air Canada but he was forced to resign when it became known he was lobbying for Wardair, one of Air Canada's competitors, at the same time.

As well as the Airbus deal, there was a pattern of close links between the Mulroney government and business supporters of the Conservative Party. In one case Mr Mulroney pushed through a deal which would have turned over the operation of Toronto airport to a company headed by a former president of the Conservative Party.

In the case of the Airbus purchase, investigators for a CBC television programme traced C\$17m in commissions on the C\$1.8bn purchase to a Lightenstein-based company whose principal, Karl Heinz Schreiber, is an associate of Mr Moores.

The CBC also said Mr Schreiber accompanied Mr Moores to Zurich, where two accounts were opened, one for Mr Moores and one in the name of Devon, the name of the Montreal street where Mr Mulroney used to live before becoming prime minister.

In his libel suit, Mr Mulroney claims that "the false and reckless allegations" in the Justice Department request damaged his personal reputation and have "besmirched and distorted the good name of Canada."



Going for Dole: Republicans showing their allegiance at the Florida convention Photograph: Pierre DuCharme/Reuters

## Florida poll win cheers Dole camp

RUPERT CORNWELL  
Washington

Bob Dole has pulled off a narrow victory in a keenly awaited straw poll of Florida Republicans. If history is any guide, it will reinforce his position as front-runner to win the party's nomination to challenge President Bill Clinton in next year's US presidential election.

The Senate majority leader captured 33 per cent of votes cast by 3,400 delegates, ahead of Sen-

ator Phil Gramm of Texas, with 26 per cent, and the former Tennessee Governor Lamar Alexander, with 23 per cent. The winners of the two such previous polls, Ronald Reagan in 1979 and George Bush in 1987, both went on to gain the nomination and then the White House.

Despite the unexpectedly strong performance of Mr Gramm and Mr Alexander, the Dole camp was relieved and delighted. "We won and that's what matters," his aides said. The

result may also force some weaker and poorly financed candidates, such as Senator Arlen Specter of Pennsylvania and Congressman Bob Dornan of California, to drop out.

Meanwhile the budget deadlock which has shut down much of the federal government for an unprecedented six days may be close to a solution. Republicans have tabled a new proposal, slightly softening their conditions for balancing the budget in seven years. Leon

Panetta, the White House chief of staff, called it "a step in the right direction", as party leaders prepared to meet last night.

As the wrangling in Washington continued, Republicans won a landslide victory in the once solidly Democratic South when Mike Foster, a millionaire businessman, became only the second Republican Governor of Louisiana in 122 years. He defeated his black Democrat opponent, Cleo Fields, by 64 to 36 per cent.

## The great tease is ready to pull on his galoshes

Heard the latest Mario Cuomo joke? When he found out that Colin Powell had decided not to run for President in 1996, he stepped forward to become the General's running mate.

It has been just over a year since Mr Cuomo was denied a fourth term as Governor of New York by the Republican George Pataki and vanished from America's political landscape. But with the dramatic dithering of General Powell, the name of Cuomo was suddenly brought back to mind.

This time four years ago it was Mr Cuomo who had the nation in suspense over whether he would make a run for President. The media pundits were virtually begging him to seek the Democratic nomination. So were most Democrats—among all the possible challengers to George Bush, Mr Cuomo looked like the only one with a real chance of winning.

Mr Cuomo, a firm liberal opposed to the death penalty and a supporter of free choice on abortion, was even more of a tease than General Powell. He chartered an aeroplane to take him from Albany, the state capital, to Washington to announce his candidacy. Then he changed his mind. Many still believe that if he had not, he, and not Bill Clinton, would now be in the White House.

As it is, he is not even in the governor's mansion in Albany. A compulsive political operator and also one of this country's few great orators, Mr Cuomo returned to his Manhattan law practice. But he is gradually edging back into the fray. He is the host of two weekend radio shows in New York and a regular on the lecture circuit. He



Mario Cuomo: edging his way back into the fray

No 42  
Missing  
Persons  
Mario Cuomo

has also written a book, *Reason to Believe*, a treatise on everything that he believes is wrong with the Republican Revolution of Newt Gingrich, the Speaker of the House of Representatives.

In his book, Mr Cuomo warns that under Mr Gingrich, the US is in danger of reversing "60 years of the most human and intelligent progress any government has ever achieved". The Republicans in Congress frame issues by "distilling the bitterest juices from the people's anger, bottling them as legislation and then offering it all back as a magic elixir". In a speech last week, he praised what he called the "sweet strength" of General Powell in forsaking his presidential ambitions.

It was a wise decision, he said, because the general is not accustomed to insubordination and that is what he would have got, from the press and from the Republicans. "Take it from me, they will wee-wee on your shoes," he said of the political pundits. "I wore galoshes for eleven years".

Mr Cuomo predicts that next year will be a race between Mr Clinton and the former Governor of Tennessee Lamar Alexander (not Bob Dole). Mr Clinton, he says, will win.

And what of Mr Cuomo himself? The signs are that his gradual return to the public arena is just beginning. "I've been very quiet for a while year, because I thought that was appropriate," he noted last week. He says he has not ruled out challenging the Republican Alfonse D'Amato for his New York Senate seat. Meanwhile, CNN is reported to be considering trying him as a co-anchor on its confrontational show *Crossfire*. Also on CNN's shortlist: Ann Richards of Texas, another exiled Democratic governor with a handy tongue.

David Osborne

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## international

## Bomb kills 14 at Egypt's embassy

Islamabad (Agencies) — A suicide bomber blasted his way into the Egyptian embassy in Pakistan yesterday and set off a powerful explosion that killed at least 14 people and wounded about 60, including diplomats.

A police official said a bomb was first thrown at the embassy gate, apparently to clear the way for a suicide bomber who drove a vehicle packed with explosives into the compound.

The Interior Minister, Naseerullah Babar, said police had found the engine and chassis of a van they believed was used in the attack, adding: "I think we will get to the terrorists."

One Pakistani employee, Matloob Hussain, who had been working on the first floor, said he had heard one blast, after which embassy officials told everyone to evacuate the building. A more powerful explosion followed immediately.

Egypt's largest Muslim militant organisation, el-Gamaa el-Islamiya (Islamic Group), claimed responsibility for the attack. A second Islamic militant

group, Jihad, also claimed responsibility. There were no immediate arrests.

Pieces of debris and human flesh were scattered up to 50 metres from the embassy.

The blast tore a crater about six metres (20ft) wide inside the embassy compound, ripping the facade from the two-storey building and wrecking several parked cars.

In Cairo, President Hosni Mubarak condemned the bombing as an evil crime "in opposition to all spiritual and humanitarian values".

The attack was the worst on an Egyptian target abroad for years. Frustrated at home, the terrorists appear to be looking for targets abroad in advance of the 29 November elections.

Police action in Egypt has largely confined the Islamic Group's activities to the south of the country. Thousands of suspected Muslim militants have been jailed, and 50 have been executed. More than 850 people have died in the Islamic radicals' campaign.



Grim search: Rescuers working at the Egyptian embassy in Islamabad yesterday

Photograph: BK Bangash/AP

After the election: Paris's dangerous liaison lingers on

## Algeria cannot cure a colonial hangover

ROBERT FISK  
Algiers

In the overgrown *pieds-noirs* cemetery amid the slums of Belfort, eleven fresh mounds of earth tell the story of France's dangerous love affair with Algeria.

Each contains the body of a French nun or priest murdered by "Islamists" over the past two years, the flowers still alive on the grave of Odette Prevost of the Little Sisters of the Sacred Heart.

They buried her here a week ago, the last victim of Algeria's pre-election violence, between crumbling walls that embrace thousands of French bones, ancient men and women who died believing that *Algerie française* would never fade away, who were cut down in the 1914-18 war or shot by snipers in the 1954-62 war of Algerian independence.

Sister Prevost, the 35th French citizen murdered here in three years, had decided, so they said at her simple funeral, "to stay in Algeria in its time of trouble". Now, shot dead near her little home in Kouba, she will stay for ever.

France, it seems, can never quite shake off its fascination for this very foreign land, an affection that both tortures and humiliates Frenchmen and Algerians alike. Even as Sister Prevost was being lowered into her grave, her coffin covered in a Berber blanket and pelted with orange roses before the Algerian earth covered it for ever, a hysterical Algerian woman was standing up at Lamine Zeroual's last election rally to hurl contempt at France. Mr Zeroual was right to refuse a meeting with Jacques Chirac at the UN. "When Zeroual gave a slap to Jacques Chirac," she shrieked, "it was like Dey Hussein slapping the face of the French consul in 1827."

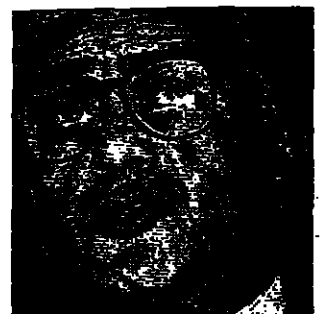
In fact, the Dey Hussein of Algiers hit the French consul in the face with a fly whisk — calling him "a wicked, faithless, idol-worshipping rascal" — and the act provoked the French invasion of 1830 and the long and bloody occupation which ended only 33 years ago. But the message was clear. Algeria was no more afraid of France now than it had been a century and a half ago. How dare France insult the nation she humiliated for so many years? How dare France dictate to Algeria? Because she does not wish her former colony to be successful?

If France's concern for Algeria can be fatal, Algeria's obsession with France is

almost as lethal. Throughout the election campaign that gave Mr Zeroual his first mandate as President last week, the ghosts of Algeria's colonial era hovered over the candidates.

But what can France do to repair the shambles of its relationship with Algeria in the aftermath of last week's election? If it urges further dialogue with "Islamists", President Zeroual will claim that France is soft on "terrorism". If it supports any new military action by Mr Zeroual against the armed Islamist groups, it may provoke more bombs on French soil. And if it remains obstinately neutral, all sides in Algeria will accuse France of abandoning the country after a century and a half of colonial humiliation.

President Zeroual may have "slapped down" Mr Chirac at the UN but he has his own connections within the French administration. During his six months at French military



President Zeroual: Has his own links with France

college in Paris during the mid-Seventies, the future General Zeroual was a close acquaintance of a young French officer called Christian Quesnot. General Quesnot is now adviser on military affairs to Jacques Chirac (as he was to President François Mitterrand). Nor have Algerians failed to notice that Charles Pasqua, the French former interior minister whose distaste for fundamentalists rivalled that of the Algerian top brass, is again a welcome visitor at the Elysée Palace.

Will President Zeroual's electoral victory persuade France to give more support to the Algerian military? Or will Mr Chirac content himself with statesmanlike advice about the greater need for dialogue through strength?

"The French will never know how to treat us because they do not understand us," a young Algerian businessman claimed yesterday. "I watch French television every night — we all do — to find out how they are distorting the news from our country."

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## A SPECIAL REPORT MOBILE COMMUNICATIONS

# Getting around mobile data

Steve Homer introduces this six-page special report on mobile communications

A year ago there were around three million mobile phone users and everyone was amazed. Today the figure is nearer five million. It looks set to reach 12 million by the end of the century. And what is more the newer more flexible digital technology is taking over. Vodafone's last quarter was the first where its digital connections outstripped its analogue connections. "There is a glass ceiling which needs to be considered when forecasting the growth of any technology," says Mike Short, Cellnet's Director of International Affairs. "However, with GSM [digital cellular], its own glass ceiling moves ever upward."

And it isn't just voices going over the airwaves. We ordinary folk are starting to send and receive data.

But if we reach 12 million users by 2000, that is more than one in five of our total population. This will change the way we view the mobile phone. By 2000 call prices are likely to be much lower, call quality will be higher and in-building reception will be better. There are many in the industry who believe we will be starting to use our mobile phone as our first phone. Think about the situation today. It is crazy. Before seven in the morning we know to ring someone's home number, after 9.30 and before 5.30, we know to ring the office number and after 5.30 perhaps home, but then perhaps not. Why all the complicated decisions. We want to speak to a person, not a phone location. As soon as it becomes almost as cheap to phone a mobile phone as a land-line phone we will start doing it in droves.

Today it's not just our voice that is being carried over airwaves. Already the cellular phone service operators say a growing percentage of their traffic over the digital GSM and Orange networks is data. (One 2 One has yet to launch its data service.) Mobile data, sending information in text or image form out to devices that travel around with us, either computers or hand-held electronic devices, is starting to take off like a rocket. Today mobile

data is restricted to business users but tomorrow, if you have a mobile phone and a portable computer, you will probably want to be using mobile data to look at the news headlines, to access ticket availability at the theatre, to find your way around a strange town, to check on train times, to check a route in your car and to do so many things we have not yet thought of.

But data will always be a bit of a laggard. "The incredible growth in mobile phone usage is being driven by consumer interest while data is being tagged along behind," says Martin Garner, Managing Consultant at telecommunications analyst Ovum. "For data to spread out to a more consumer market, one of the key things is that data access needs to be made easy. That means good sales advice, good products and especially good after-sales support."

At the moment the whole question of migrating to becoming a mobile data whizz kid can be fraught with problems. Firstly, there is the high price of the equipment, the conditions and connection charges, and then there can be incompatibility nightmares. For example, most people come to mobile data via a GSM phone. They have a phone for a few months and then hear that it is possible to slip a small card into the side of their portable computer and download data at 9600 baud - 75 per cent as quickly as most plug-in-the-telephone-socket modems. "Great," you think. "lets rush out and buy one of these wonderful cards." But you can only use cards from your manufacturer with your phone, and the phones on sale today can only send data at a very

slow 2400 baud.

The biggest sinner in this is Motorola, the leading provider of mobile phones in the UK. In many ways this company comes out with excellent phones but it has always skimped on "extras". This was bad enough when its early GSM phones were not supporting functions that everyone knew would be available in a year or two. But mobile data at 9600 has been available in the UK since October 1994 and Motorola must have known it was coming. Yet despite launching all sorts of wonderful mobile phones in recent months, not one of its phones will give you 9600. The best they can do is 2400. The first Motorola phone capable of 9600 will not be out until early next year. In stark contrast Nokia's popular 2110 GSM phone has had 9600 capabilities since it was launched back in January 1994, and its latest, slightly enhanced model is ready for network improvement that are unlikely to be implemented for some time. So if you are tempted to buy a Motorola phone, remember there is an important area the phone will not do the job. And if you plan to keep the phone for three years you should really be careful.

Another problem. You are supposed to be able to "roam" with your mobile data - that is take your phone and your computer to, say, Germany and there switch on and access your computer system at home. Well sometimes you can, but many times you cannot, so don't be too reliant on using data on a GSM phone in foreign countries just yet. But why would we ever want mobile data? There are three distinct areas: message sending, file sharing and accessing

information. The most common form of mobile data is e-mail. So many organisations now rely almost entirely on e-mail for internal communications, that it is no surprise that nearly every office road warrior puts e-mail at the top of their benefit list after they first get their datacard and mobile phone.

If you have a large office network then there are software products that will let you log in remotely and access your mail just as if you were in the office. If you are not on an e-mail system then you will probably be using Compuserve or CIX or some such service. All you do is log into these services exactly as you do on your computer in the office.

The other big plus for mobile data is file sharing. Again this can mean logging back on to your office network, or it can mean "picking up" files that someone has sent to you. If you do have a 9600 GSM connection then it is reasonable to pull down quite large files without tying up your machine for long.

Finally, there is seeking information. Again, of course, you can log on to Compuserve or some such network, or trawl the Internet, but there are also dial-in information services like Tel-Net which have set up special options for mobile phone access.

But mobile data is not just GSM. If you are in business there are specific solutions that may be more cost effective and other services are available in other countries which may be coming here. Most exciting will be the eventual arrival of General Magic services. General Magic is a whole raft of telecommunications standards designed to make telephone networks intelligent and easy to use. General Magic services have already launched in the US, but sadly will not be in here for a couple of years.

There are half a dozen satellite phone systems planned which will allow you to make phone calls from pretty much anywhere and all of them will offer some form of data transfer. Whatever the future, whatever the data rate, there is no going back. The mobile data genie is firmly out of the bottle.



Upwardly mobile: Paul King runs his company Trebleline Couriers from his Renault van, assisted by a portable telephone with fax and modem, a satellite navigation system, two computers and a PA system for loudhailing his consignees when the work gates are shut. Photograph: Christopher Jones

## Anywhere you wander, roaming will soon be easy

PAUL QUIGLEY

Personal Communications Services (PCS), such as those offered by Mercury One-2-One and Orange Personal Communications, are also capable of transferring data, fax and e-mail messages over their networks. These systems are, after all, virtually identical to the GSM networks of Cellnet and Vodafone in that they are based on the GSM sister technology DCS-1800 which operates at 1800 MHz as opposed to 900 MHz.

In the US, GSM has been accepted as an approved PCS standard by the American National Standards Institute (ANSI) and telecom approval body, the Telecommunications Industry Association (TIA). PCS-1900, the US variant of GSM, is an up-banded version

operating in the 1900 MHz radio spectrum. Network operators across the US have opted for the GSM technology as they see its potential for international roaming services as well as competitively priced infrastructure and pricing.

Though these various GSM-based systems operate at different frequencies, and therefore different handsets, the ability to roam is still available by using the Subscriber Identity Module, a smart card, common to all of the systems. Consequently, operators around the GSM world are gearing up for so-called "plastic roaming", whereby the user will simply need to take the SIM card when travelling internationally and hire or buy the relevant handset when in the different regions. Even this requirement is set to change

with the recent development of "dual-band" GSM handsets such as the Ericsson GSM-900/DCS-1800 handset which can detect and operate at either frequency depending on available services.

Analogue cellular data is also possible, although as the cost of GSM digital services falls to a par with these systems, the market growth is not set to rise in the same way as GSM and PCN networks services.

Conversely, in the US, analogue cellular networks have over 30 million users, according to the Cellular Telecommunications Industry Association. For this mass of analogue cellular users, the need for mobile data is being addressed by network operators by an overlay data capability called Cellular Digital Packet Data (CDPD), which is being

pushed hard in the interim period before digital cellular data services take up the slack and drive the market. CDPD uses the digital control channel on the analogue networks and effectively uses the "gaps" in transmission to send data.

Attention is, however, turning from CDPD to PCS-1900 and other digital cellular standards as market awareness shifts from yesterday's technology to the promise of wide-area, anytime, any-place, anywhere applications.

For operators such as Cellnet, Vodafone, One-2-One and Orange, "Get subscribers motivated" and "Grow, support, maintain" slogans are now the order of the day, as digital cellular operators refine their data and enhanced services in the battle to add value to the basic mobile telephony.

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## MOBILE COMMUNICATIONS

## It's good to talk if somebody else is paying

STEVE HOMER

At last the Government looks set to do something about the mushrooming problems of mobile phone crime. Around 12,500 mobile phones are stolen every month according to the Government. Phone fraud and mobile phone crime is costing British industry £100million a year according to the Department of Trade and Industry.

The biggest problem is phone cloning. This only affects the older analogue phones but these still make up the majority of the phones in use. With analogue phones, along with the phone's subscriber number, a secret handset code number, known as the Electronic Serial Number (ESN), is also transmitted. The telephone exchange receiving the call from your handset reads your phone number and then checks to make sure that the ESN matches the number of the phone you have.

The problem is that for several years criminals have been able to eavesdrop on these numbers and steal them. Armed with your phone number and your ESN, criminals have been able to clone your phone. All they need to do is program your phone number into another phone and then replace the ESN chip in the phone with a new one with your ESN on it.

The phone can then be used until either you spot that there are strange phone calls on your bill or the network's monitoring system picks up something wrong.

Vodafone has taken things a bit further than this. On some newer phones it is possible to put in an extra level of checking. Each time a call is made the network issues a quasi-ESN which the phone stores. On the next call the exchange checks both the ESN and the quasi-

ESN and if they are both alright the exchange allows the call and sends out a new quasi-ESN. This way if criminals have stolen your ESN it does not matter because by the time they get round to using it the quasi-ESN will be wrong.

The Government is so worried about the huge problem of this "reclipping" that it is proposing to make it illegal to have the necessary scanning equipment that allows criminals to steal ESNs over the air. In a few years time, when we have all moved over to digital phones then there should be no problem. With GSM phones from Cellnet and Vodafone, One 2 One phones and Orange phones the equivalent of your phone number and ESN is sent out in encrypted form. This is said to be uncrackable.

But many industry insiders believe that criminals will eventually be able to get around digital phones' security systems. "The criminals probably employ as many scientists as we do," says David Savage, Chairman of the Federation of Communications service. "Ten years ago we did not think it was possible to change an ESN. How wrong we were. You just cannot tell what is going to happen in the future."

But the fact that digital phones cannot be cloned does not mean that they are not worth stealing. While the smart card used by these phones to access the telephone system can be quickly switched off, at present most networks cannot detect if the phone itself is stolen. Given that there is a shortage of good digital phones and that they are much more expensive to manufacture than analogue phones, and given that they can be used in many different countries, it is not surprising that a sizeable market in stolen phones is building up.

Phone fraud and mobile phone crime is costing British industry £100million a year

## A phone is not just for Christmas



A Presidential reception: Bill Clinton irons out some problems while he is away from the office. Photograph: AP

Wander into a mobile phone shop and you will be presented with up to 80 handsets and enough options on tariffs to fill eight pages of a magazine. Add in the complications of six different networks and local variations and you will soon realise that you have a major task on your hands when it comes to choosing the right one.

The problem needs to be broken down in stages. First, look at where you need to use the phone, then when you need to use it and, finally, how often.

The UK is spectacularly advanced in the cellular industry. Engineers from other countries come over here to find out how we do it. Early competition is the answer. When Cellnet and Vodafone launched in 1985 they were forbidden by law from dealing directly with customers. Instead a middle wholesale tier was created. These people are known as Airtime Providers or Service Providers and have the job of taking the bulk bills sent by the network, making sure the right person gets the right bills and, after adding a margin, collecting the money. If you don't pay they cut you off, the terms "money" and "old rope" spring to mind. This is an industry where Vodafone will have made more money in the time it took you to read this sentence than you will spend on lunch today.

Cellnet and Vodafone had eight years in which to build networks and recruit customers

## Simon Rockman gives a guide to the costs of portables

before they faced the opposition of first Mercury One 2 One and then Orange. This meant they had better coverage and were seeing a return on investment with which to fight the new networks. To give Mercury and Orange a helping hand the Government allowed the new networks to sell direct. This is why you see phones sold by Mercury and Orange but not by Cellnet and Vodafone. The old networks sidestepped the "sell-direct" legislation by setting up their own service provider divisions - Call Connections and Vodac among others, but the end result was one of marketing. You can now buy cheap phones, funded by the marketing budgets of Cellnet and Vodafone, which cost more to run, or a more expensive phone from Orange or Mercury, which are somewhat less subsidised.

Until September 18th, Mercury offered free calls in the evenings as a major selling point. This has now been revised to weekends only, but existing customers still have free calls in the evenings. Under the new tariffs Mercury has followed Orange in billing by the second, as the fixed line phone companies now do. Cellnet and Vodafone bill by the minute or 30-second interval, although this is at the

discretion of the Service Provider and some, such as Cellcom, offer shorter billing periods.

There are differences in the technology between Analogue, Digital GSM and Digital PCN, but none of these are substantial compared to the cost of running the phone. The PCN system used by Mercury and Orange may be significantly cheaper to run: Orange claim that on average their phones cost £20-a-month less on a "typical bill" than their rivals, and will save heavy users even more. Orange won't say what a typical bill is, but *What Mobile* and *cellphone* magazine's research shows that it refers to a £50-bill which consequently will cost £30. Orange recently ran a campaign to poach heavier users by offering a free car kit, if you could produce regular bills showing that you spent over a certain threshold on your Cellnet or Vodafone lines. This promotion was very successful and we are likely to see more.

Vodafone is the only network not advertising on television, and the four networks between them will spend in excess of £25m this Christmas. Add in the significant advertising of the likes of Carphone Warehouse, Peoples Phone, Ericsson and Motorola, and we are likely to

see so much in the way of phone promotions between now and Christmas that everyone will be sick of ringing tones that they are of turkey sandwiches come New Years Day.

Having been driven into the mobile phone shop you will probably be hopelessly confused as to what to buy. The important thing to remember is that whatever you get, mobile phones are still quite expensive. Expect a phone to cost you over £500 in the first year. This makes them a very poor Christmas present. The best bet is probably an Orange phone which costs £150 and is cheaper to run, but still means that unless you undertake to pay the bill yourself, you are still buying your nearest and dearest a liability of about £350 next year.

Look very carefully at the tariffs and also look at the extra costs. Phone theft is rife and insurance is necessary. Barclaycard has a new scheme with Cellnet which offers an excellent phone for £49.95 on one of the less expensive GSM tariffs and includes insurance. But generally you should take out a separate policy and never leave a phone on a car seat.

When buying a phone look at the availability of accessories. You should also look at the battery life and ringer volume. Weight is usually a trade-off against battery life, but with most phones now weighing less than 250g they should all fit in a jacket pocket.

## Which is the best set to use with a computer?

SIMON ROCKMAN

No man is an island, unless his e-mail connection is down, in which case he's adrift without a propulsion device. The obvious solution is a mobile phone. Even in the middle of the Channel you should be able to get an electronic lifeline.

A year ago there was only one sensible answer to the problem of connecting a mobile phone to a computer: The Nokia 2110. Today, there is a lot of competition among phones which have the capacity to connect you to your computer.

Before the 2110, all mobile phone connections to computers were analogue. This was a bit like a dog walking on its hind legs - the impressive thing was not that they could do it well, but that they could do it at all. The best stab at this was made by Compaq which produced the SpeedPak modem for connection to Nokia and Motorola analogue phones. This and other analogue solutions provided a theoretical speed of 14,400 bits per second and a practical, unreliable 1200 bps.

Computers are digital beasts and so interface very much

better to digital mobile phones of the GSM and PCN type. The connection is not through a modem but a data adaptor - the actual modem is built into the phone network. All the systems currently available use PCMCIA data cards which can plug straight into most notebook computers.

There are several systems on the market. Market leaders Motorola have a data adaptor which works with the GSM version of the Flare and the 8200 phones. There are data cards from Motorola, Compaq and Mitsubishi, but the phones only support a 2400 bps

transmission rate. A new phone, the 8400, will be available shortly which supports 9600bps.

A second phone with the sloped speed bias is the Ericsson GH337. In all other respects this is an excellent phone, but existing phones need to be upgraded to handle data at 2400bps, and phones capable of 9600bps will not be available this year. However, the Ericsson is special in one particular way, it has excellent software which can be run on a PC to update and program numbers stored in the phone.

The newest system is from

Sony which uses the remarkable CM-DX1000 phone. This has an amazing battery life of over 50-hours standby. The interface card runs at 9600bps, so it sounds like the winning system, but there are two disadvantages. The first is price. The Sony card costs £649 and requires a £149-cable, and the second is that the Sony's 9600bps isn't as good as Nokia's. Both the Motorola and Sony cards use data compression in the card (known as transparent compression), the Nokia card uses non-transparent compression which takes place in the network, the result

is that the Nokia card achieves a better throughput. The Nokia card works with the 2110 on the Cellnet and Vodafone GSM networks and with the Nokia Orange on the Orange network.

What was the only answer to the question "what phone should I buy if I want to use it with my computer" is still the best answer. The phone will cost you around £180 (£149 for the Orange version) and the data card around £400.

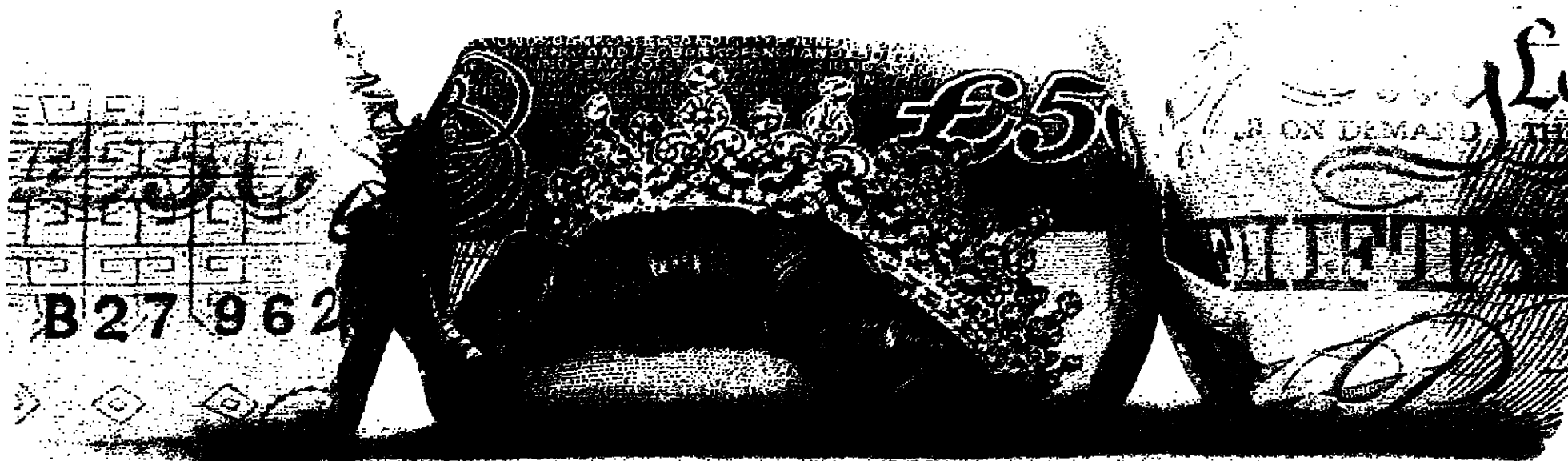
Simon Rockman is the editor of *What Mobile* and *cell-phone* magazine

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## MOBILE COMMUNICATIONS

## Roaming with GSM becomes the benchmark

PAUL QUIGLEY

"God Send Mobiles" was once the mildly frustrated mobile industry slogan for GSM (Global System for Mobile Communications), the pan-European digital cellular telephone standard.

Then, in 1992, the Single European Market had just opened and only three or four GSM networks had launched. The whimper with which GSM began across Europe caused great concern amongst operators mainly as a result of non-existent or interim type-approved handsets. By mid-1994, the GSM market had started gathering momentum as handsets became more widely available. In order to drive the market, the GSM industry cry changed to "Good Sales and Marketing" in a bid to encourage operators to pay greater attention to their marketing methods.

Existing GSM operators and new competitors invested heavily in widening coverage and extending services and today, with over 10 million GSM users worldwide, the rate of subscriber growth is accelerating faster than ever.

Mobile Europe, a leading trade journal, predicts the European GSM market alone will grow to over 80 million users by the year 2000. Key to this continuing exponential growth is the augmentation of GSM data communications capabilities, enabling standard computer applications as well as industry-specific applications to slide off the desktop and into the pocket or notebook computer.

The way ahead was clear, it had to be mobile data

With the rise and rise of mobile computing, sparked by the popularity of portable PCs and personal digital assistants, such as the Psion Series 3, the Hewlett Packard 200LX, Apple's Newton MessagePad and others, the way ahead was clear. It had to be mobile data. Moreover, this convergence of GSM cellular data and portable computer power had to be linked in a plug-and-play capacity without the need for a third black box that would turn the user into a die-hard gadget juggler.

This key enabler has arrived in the form of the so-called "PC-card", a credit card-sized modem which slides into a slot in the side of the portable PC and connected by a short cable to the base of the GSM handset. These PC-cards (an abbreviation of the more cumbersome nomenclature PCMCIA (Personal Computer Memory Card International Association) are veritable portals to GSM data world, acting as conduits to a multiplicity of on-line services, email, fax and file transfer. PC-cards are now available from a variety of manufacturers for a wide range of phone brands. First to market last year was Nokia's cellular data card, but the market has opened up widely to several other competitors, including Communicate, a specialist UK vendor of small form factor modems. Communicate are active in the OEM market as well as selling directly, and are making a significant mark in the GSM data field with several unique product features. In a wide range of PCMCIA modems, not only does their 'GSM Plus' card enable cellular data transmission up to 9,600 bits per second, but it also doubles as a conventional land-line PSTN modem, operating at speeds up to 14,400 bits per second. This flexibility allows the user to exploit the fallback potential of

the PSTN where GSM data may not be available, without needing to swap modems.

GSM data is also starting to invade the radio territory of industry sectors historically dominated by private mobile radio (PMR) and public access mobile radio (PAMR). Field engineers at Unisys, for example, now use GSM. Communicating from often remote locations to the company's operations department, Unisys have opted to use Mercury Communications' "DataMotion" package. "Mobile data is a natural evolution from our previous systems, providing added value which we will pass on to our customers" says Graeme Birch, network consultant for Unisys. "Initially, we were open to any form of mobile data technology that would give wide-ranging coverage and reliable operation. We decided to look more closely at GSM because it provided a level of functionality that data-only services cannot provide. The business pressure driving the use of DataMotion stems from the search for better communications between our operations desk and the engineers. Quality and capacity is critical in providing an efficient, cost-effective service to the customer" adds Birch.

Unisys has seen productivity benefits from DataMotion. "From initial use, Unisys' field operatives have shown improvements in two key areas used to measure customer satisfaction.

The first was a 16 per cent increase in the number of customers' calls managed per day, and the other was a 3 per cent reduction in the time spent at a customer site. These savings represent a large increase in an engineer's efficiency" says Birch. "DataMotion was a one-stop-shop for products, services and consultancy and although it is possible to buy the disparate products and services from individual companies, Mercury has brought these together in a single solution. We gain flexibility, easy management and a professionally operated partnership."

With DataMotion, the engineers dial into Unisys' Servis system, download their personal call box, go off-line and carry out any transaction necessary. When finished, the engineer dials back, automatically updating the Servis system and then moves to the next call. The DataMotion package consists of a GSM mobile phone, a PCMCIA data communication card, and a laptop PC, allowing data transfer to and from the laptop via the digital mobile phone.

Already established within Europe, the Middle East, Africa, Australia, Asia and now the US, GSM is fast becoming a global standard. Currently, there are some 69 countries operating GSM networks, each a signatory to the GSM Memorandum of Understanding (MoU), with extensive commercial "roaming" agreements in place, allowing the mobile user to communicate to and from different countries while receiving one bill from a single source. International roaming enables GSM users to use their digital phones while on the move outside the 'home' network.

Roaming is not a cheap facility and tariffs for GSM services outside the UK vary greatly. Nevertheless, in the business marketplace, the option to use GSM's extended data capabilities can mean the difference between success and failure.



Apple Newton: keeping it all simple

Photograph: Kelpesh Lathigra

## Pocket systems herald a change

STEVE HOMER

Sending and receiving data used to involve some pretty chunky equipment. Today most people associate mobile data with a portable computer, but there are smaller devices that do the job in even more interesting ways when connected to your mobile phone.

For example the recently relaunched £400 Newton MessagePad from Apple. This has a loyal following of users in specialist fields. One magazine distribution company uses it to check up on sales of its titles in shops. All the employee visiting the shop has to do is enter a few numbers into boxes and then the credit card-sized PCMCIA data card inserted in the side of the Newton, connected up to a GSM mobile phone, the data is sent to the head office computer in seconds.

What makes this type of operation particularly impressive is the flexibility of the two technologies operating together. All I had to do was plug the pieces together, change one setting in the modern options box and away it went. No complicated set-up routine, no new software needed. The only slight problem was that the MessagePad would insist on removing the initial area code which had to be put back manually for dialling with a mobile phone. But Apple says it has a

work around for the problem.

It is worth noting for all those Newton-sceptics out there that the handwriting recognition is much better, but it is still laborious entering long messages with the hand writing recognition system. Fortunately Apple has launched a separate plug-in keyboard for the Newton aimed squarely at people writing e-mail and faxes, which will set you back another £79.

Other hand held devices can also be successfully used to send data. The ZR 5000 from Sharp costs about the same as a Newton. It is even smaller and has the advantage of a built in keyboard on which you can type, and a touch-sensitive screen on which you can write freehand but no character recognition. So with the Sharp you could type a fax and add in a handwritten diagram. Again the system uses a PCMCIA data card and GSM phone. The only problem here is that the card takes too much power from the ZR even with brand new batteries and so needs to be plugged into the mains. A little difficult if you are trying to send a fax from the 4.15 from Paddington. There is an extra battery pack available but that costs a whopping £109.99.

Finally I looked at the venerable Psion. While very popular among the cognoscenti, the Psion suffers from having gone its own way too early. While virtually every other hand-held

device uses credit card sized PCMCIA standard add ons, Psion has its own format and so, to date, there are no self-contained wireless fax modems available for it. A new release is a cable that will allow the Psion to plug into a Nokia GSM phone and send so called SMS messages to GSM phones. SMS messages appear on GSM telephone displays like a pager message. At present the Psion system only works with Orange and Vodafone and whatever messages are sent can only be sent on one network — in other words you cannot send messages from an Orange phone to a Vodafone phone. While for most Psion users this will render the product of little use, (do you know which service your friends' GSM phones are on?) there are certainly vertical business applications, such as service engineering companies that may find the Psion SMS link useful.

It is early days for handheld data and it is very much a business rather than a consumer market. But this is an area that is in revolution. In the US devices like Sony's General Magic hand-held unit allow ordinary consumers to easily collect and send e-mail, go electronic shopping and seek out information. It is a good bet that within ten years pocket data communications devices will be as common in the UK as mobile phones are today.



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## MOBILE COMMUNICATIONS

## An emergency for the future of mobile radios

PAUL QUIGLEY

Private mobile radio (PMR) is often regarded as the older sibling in the family of mobile communications technologies. Historically the preserve of the emergency services, heavy industry and transport companies, the key trend in the PMR sector, as is the case with the cellular market, is a steady migration from analogue to digital systems.

The main benefits to these task-orientated, functional user groups in switching to digital are essentially based on call-encryption and application flexibility. Public safety organisations, such as the police and the other emergency services, are being attracted to the security aspects of digital PMR call-encryption, and utility companies such as water and gas suppliers see the flexibility of voice, data and public switched telephone network (PSTN) access as vital in a deregulated, consumer-orientated market.

Additionally, PMR's appeal has always been the absence of high variable-usage costs. Once a PMR system is procured and installed for private operational use, the airtime is effectively free. "With cellular calls costs cannot be controlled, which is the great disadvantage of cellular-type services in comparison to private mobile radio for large organisations. For users such as water companies, they want to be able to contact all

of their workforce individually, to be able to respond, to initiate messages, send work details and to give them security. Phones don't do that, generally, excluding GSM with data facilities," says John French of Bosch Telecom. "But it still doesn't have the capability of trunked PMR systems. There is a large capital cost to start with, but the disadvantage of this is outweighed by advantages such as privacy on one's own radio frequencies, particularly with the newer digital techniques."

However, there are exceptions to the PMR rule in the utilities sector. British Gas, for example, has recently undertaken a complete overhaul of their entire analogue radio PMR systems and have replaced them with a hybrid system using digital PMR, dedicated packet mobile data and cellular radio technology. Global Positioning Systems (GPS) are also being deployed with digital PMR, and is becoming widely used by transportation businesses who need to locate and route vehicles from remote computer sites.

"PMR data facilities are here already," says French. "Companies can use portable computers, printers or PDA handhelds in their vehicles and they can pass data over their PMR radio system, saving money on telephoning the office."

Despite the major developments being made in bringing the sector into the next

century, the traditional PMR stamping grounds of public safety are not immune to substitution by other mobile technologies. In view of recent developments in cellular, it is perhaps not surprising that traditional PMR markets are also being attacked by GSM operators.

The Derbyshire Police Constabulary, for example, have been tempted away from digital PMR offerings, trying out GSM as a system upgrade/replacement that enables police officers to file crime-scene reports while still on patrol, relieving them of their duty to return to the station and process copious paperwork. The Derbyshire officers use stylus pen-based input devices to write their reports onto touch-sensitive screens of Apple Newton PDAs. "It could take up to an hour to type the information from a crime at the station," says Derbyshire Police Inspector Brian Payne. "All details can now be submitted in a matter of minutes."

Trans-European Trunked Radio (TETRA), vaunted as the omni-purpose pan-European standard, is taking longer than anticipated to become a commercial reality for Europe's emergency service organisations. In the meantime, technologies such as GSM are being tested for public safety communications and may yet redefine the historical distinctions between the various mobile market sectors.

## Communication breakdown

STEVE HOMER

The AA has what is almost certainly the most comprehensive private radio system in the UK and, possibly, in Europe. It is vital to the way it does business.

The AA handles 4.6 million breakdowns each year. AA patrols have used two-way radio since World War Two, but in 1985 it decided it needed a more advanced system to keep up with the growing number of members. Poor reception and waiting for air space to receive or pass on details were major headaches for the patrols when using the old system.

So the AA invested in Mobile Data Terminals (MDT), a simple system for keeping patrol personnel and headquarters mutually informed.

Today, each AA vehicle has its own car-radio-sized MDT. Incoming messages are displayed on a liquid crystal panel. Patrols on the road can also communicate with AA telephone operators via a key pad in the vehicle.

MDT was designed for the AA's increasing volume of breakdown work and to speed up the deployment process, which became slow and cumbersome under the previous voice radio system. At the same time, MDT has given the AA an opportunity to gather useful information on the performance of the vehicles it encounters.

The system logs the member's name, breakdown location, the fault with the vehicle and vehicle details such as registration, make, model



The AA's use of the new MDT system has led to a more efficient service

Photograph: John Rasmussen

and colour. The information is passed from the AA patrol back to headquarters and is used for fault analysis. The AA uses over 100 fault and outcome codes for the patrol to punch in, which indicates the fault the patrol person found and the remedy actioned. This was simply not possible with a voice-radio system. The information collected allows the system to analyse which faults are occurring on which vehicles and feed them back to manufacturers for their action. Just

one small statistic from the database: the AA attends 17,500 cars with blown fuses each year. This information allows the AA to determine what patrols need training in, and how to stock up their vehicles in terms of spare parts.

Since its introduction the system has been improved and patrol personnel can now communicate directly with other departments for information, such as technical help. However, this development has been overtaken by another

modern marvel — the mobile phone. Widely introduced by the AA only this year, mobile phones allow patrol personnel to keep in direct contact with headquarters so that essential calls can be confronted quickly.

The good old voice-radio system has not been entirely abandoned. In emergencies or for unusual requests the radio is still available, and with less voice traffic using the system it is working much better.

MDT has not finished evolving. "Development of the

MDT is continuing and in the future it will become a multi-functional unit capable of displaying greater amounts of information, including technical drawings and it will certainly be in full colour," says George Scott, manager of AA Operations Systems. "Future generations of the MDT will become truly portable and have built-in processing power and even diagnostic functions to assist in roadside diagnosis of members' breakdown problems."

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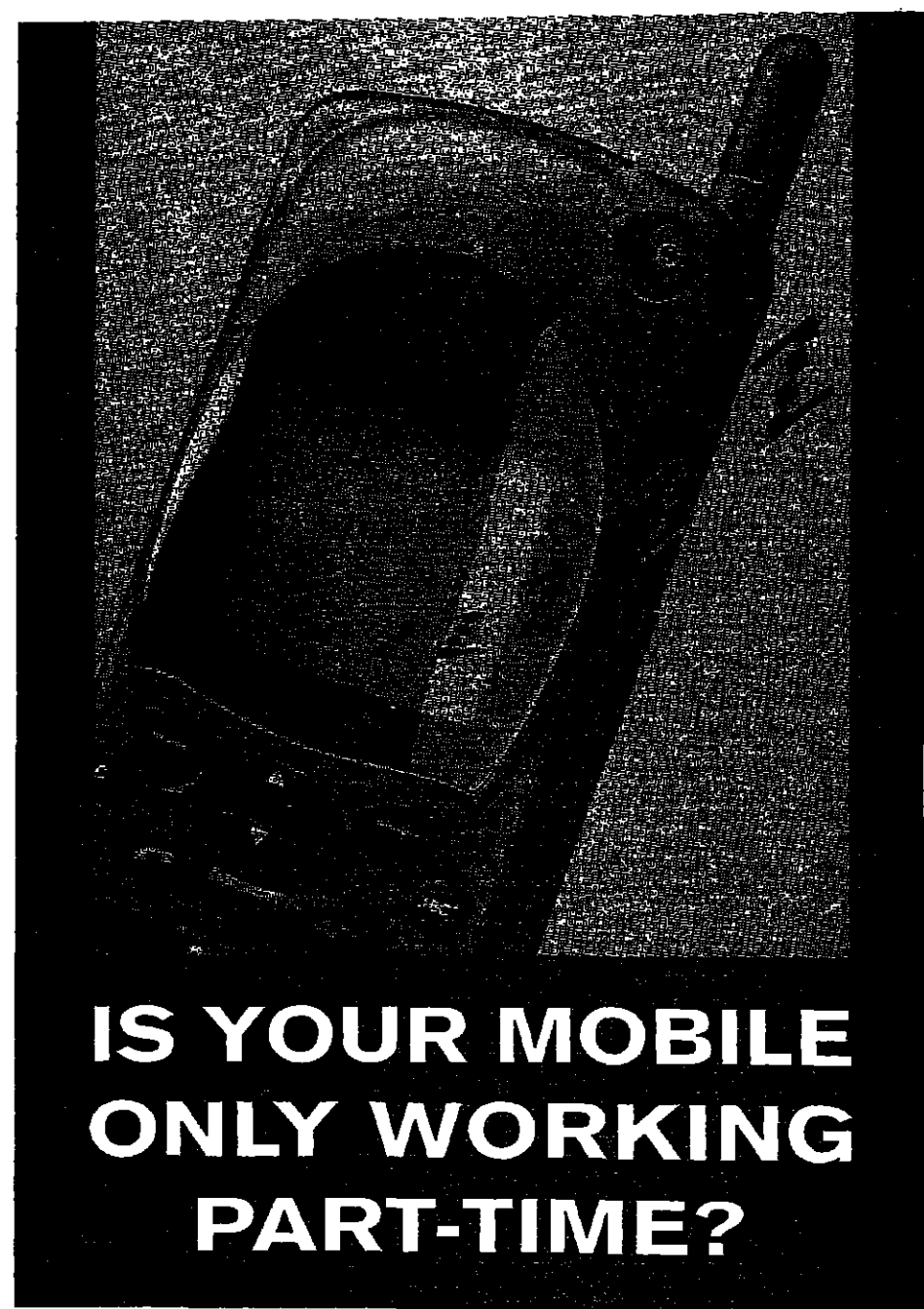
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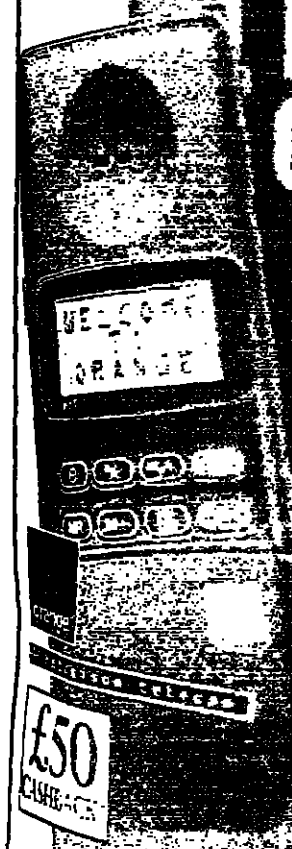
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# MOBILE COMMUNICATIONS

## Launch of new systems keeps pagers afloat

STEVE HOMER

Pagers have never really taken off in the UK. Despite efforts to make them sexy, they are still seen as a business tool, best suited to overworked doctors and plumbers.

But pagers have a lot going for them. They are small, unobtrusive and cheap. They can take messages for you when you cannot be disturbed and have much better coverage than mobile phones.

For the business world, the ability to broadcast a message to a whole group of people in an instant can be really useful. So, all is not lost for the pager. Sales are holding up well and two developments are pushing the market along. The "calling party pays" pagers, aimed squarely at younger, more impoverished users, and improved alphanumeric pagers.

Pagers come in many different shapes and sizes and the services vary. At its most basic the numeric pager displays just numbers—usually the number for you to ring back. But with a bit of lateral thinking pager users, particularly teenagers, have created a whole message system. 1402 means "I love you" (Valentine's Day), 925 means "I'm at work", 121 means dinner, and 999 means its urgent. Add to that friends swapping private codes and the result is that the numeric pager can be quite eloquent.

And it is numeric pagers that have been at the heart of the calling party pays (CPP) system. Launched last year in the UK by Mercury and BT Mobile, with CPP the user just makes a one-off payment. The cost is

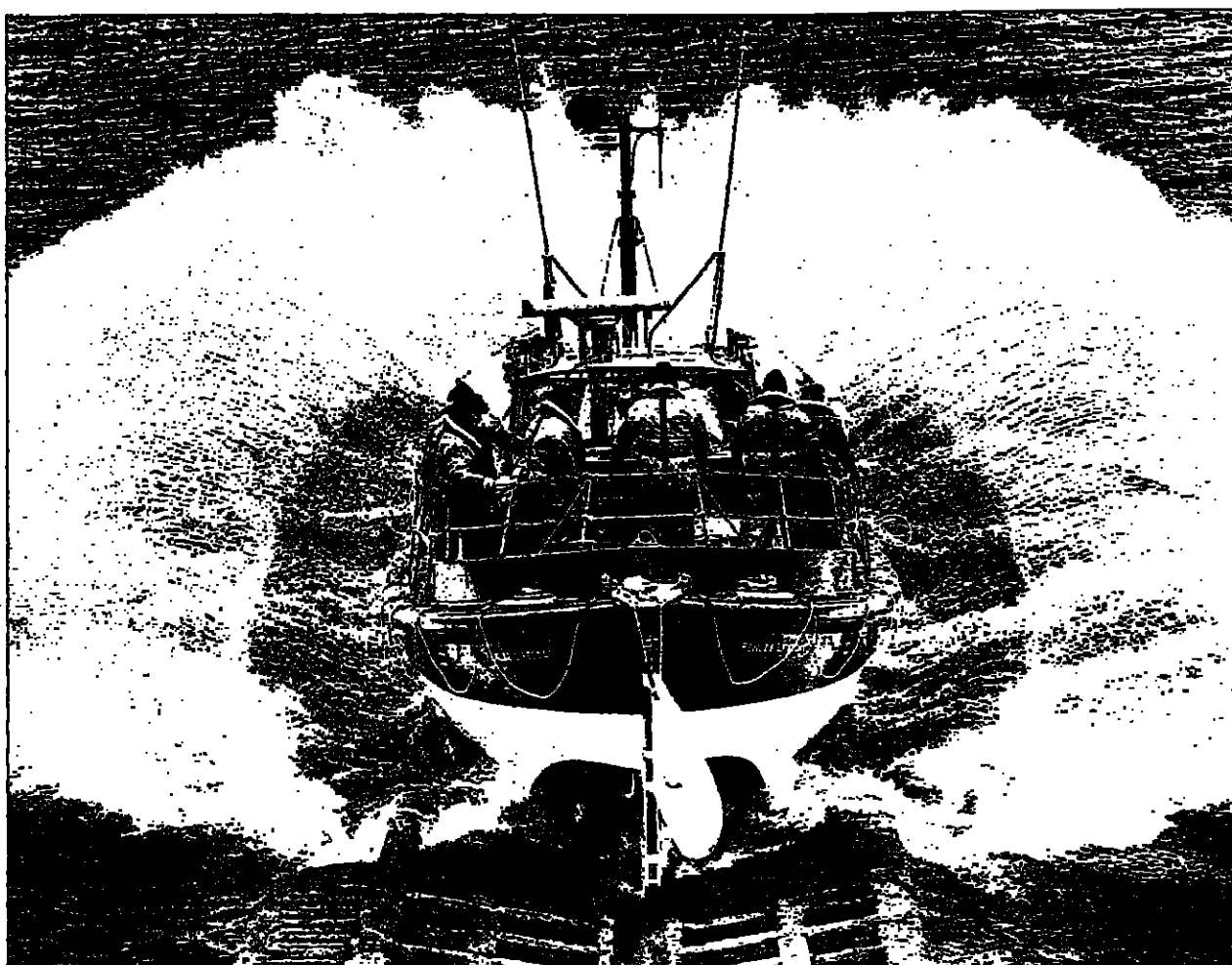
around £70 for the pager and from then on it's free. This is because when someone rings your pager number and is invited to tap in a message on a telephone keypad, they are paying for the call at around 30-40p per minute. This means they normally end up paying around 10p to send you a message.

Enough for the operators to make a profit. CPP could well be set for a second boost. Last month, BT launched what is believed to be the first alphanumeric CPP service in the world. With this you have to speak to a human operator who types in the message. The pagers cost around £110 and for the caller the service costs 55p per minute. The only disadvantage may be that friends stop sending each other messages once they discover the cost.

However the users are likely to be richer. While numeric pagers were aimed at the younger market, these new pagers are aimed at an older, more affluent customer. And just at the same time there are all sorts of jazzy, bright numeric pagers for the younger set and alphanumeric pagers are really beginning to carve an interesting market.

Typical of the top of the range is the new Philips pagers operated by Hutchison. They can store 99 personal messages. With a seven line display even quite lengthy messages are easy to read with over 30 words of any message easily displayed.

But while alphanumeric pagers can be remarkably useful they are anything but the end of the road. One of the more innovative uses of pagers



Scramble: Lifeboat crew and Search and Rescue teams can be alerted on a "shout" in seconds with a pager

is a receiver for more complex operations.

In the last five or six years all sorts of systems have been developed to transmit data to pagers. Many companies now

use PC based packages to send messages to pagers. These messages are entered on the PC, as you would any ordinary word processing document. The recipients are selected

from a list and then the PC makes a telephone call to an automated pager "gateway". Here the pager company's computer interprets the message coming down the line

and sends the page or pages entirely as per normal. The only difference here is that there is no need to involve a human operator.

This system has all sorts of

benefits. Messages can be sent to a single engineer and if he or she does not respond within a certain set time, the message can be automatically sent again. This simple solution addresses the pagers biggest problem, that you are never 100 per cent sure your message has got through, although pagers are much more sensitive than mobile phones and will receive messages in areas where phones will not reach.

The other way of using the system, is in broadcast mode. So you could select all the salesmen covering a certain part of the country and broadcast a message to them, be that to three people, 20 or 100. The message can go out in seconds and if, for example, there was an urgent problem, you could ask for anyone able to deal with it in a certain area to act.

Vodafone took this service one step further last month by launching a pager service where the pager itself can be linked into a PC so it can also be used as a personal organiser. With a massive memory, the pager can also be sent detailed background notes. In a rather neat twist, the sending party can even disable the alarm so if non-urgent background material is being sent, the recipient need not be disturbed.

But broadcast pager services have wider uses. Lifeboat crew and Search and Rescue teams can all be alerted on a "shout" in seconds, hospital employees can be alerted for a major incident with one preset operation, the possibilities are endless. But there are a host of other commercial broadcast operations.

Pagers can be used to keep abreast of the news, sports results and the stock market. Some services, such as Futures Pager, allow you to specify a number of stocks and if these move outside of preset limits, you are automatically sent news of the stock movement so you can decide to buy or sell.

Pagers continue to change and evolve. Benetton recently launched a very stylish pager made by Motorola aimed squarely at the young, trendy market. At almost the same time Vodafone launched a much less attractive pager—but its special quality is that it can be used in hazardous areas by people such as oil rig users (ordinary pagers could set off an explosion under certain circumstances if flammable gas was present).

And although the mobile phone continues to go from strength to strength, pager technology still has a long way to go. In the US several companies have launched two-way pagers that not only allow the recipient to send messages, but, because there is a return link, also allow the sender to know their message has got through. Then there are satellite-pager services that will eventually allow pager messages to be sent to the remotest parts of the world, and at last we are beginning to see pan-European paging taking off.

The humble pager may seem a bit ordinary next to all those flash mobile phones. But it is small, non-intrusive, easier to contact than a mobile phone and much cheaper. Apart from that it really does not have much going for it!

PAUL QUIGLEY

"Dear Santa, just a quick message to tell you how good I have been all year, and that I would really like a Pochontas doll for Christmas. All my love, Gracie" says the message on the display of your GSM mobile phone. Sounds strange? Maybe so. Yet with the marriage of paging and cellular telephony, consummated with the arrival of GSM's Short Message Service, (SMS), a built-in paging-type add-on to the digital cellular telephone, such messages are now possible without the need to even finish a voice call. For the GSM and PCN user, SMS removes the need for a separate pager. SMS alphanumeric messages

## If Santa is busy, his mobile can take the letter

are displayed on the LCD screen display of the GSM phone. Current SMS messages have a limit to the number of characters that can be sent and received in any one message, yet at a maximum of 160 numbers and letters, there is nothing to stop longer SMS transfers being spread over multiple messages. The fictitious Christmas letter to Santa, for example, is exactly 160 characters in length and demonstrates that the days of half-formed, truncated and obscure paging text messages are truly a thing of the past.

However, SMS is a value-added feature of GSM rather than a direct replacement for paging. The market for paging-only products and services is unlikely to be immediately threatened by SMS as there is always the cost and size advantage of pocket pagers over full-blown GSM cellular subscription. The appeal of SMS lies in its ability to work in parallel and independently of voice calls. SMS messages can then be composed on the GSM terminal's keypad directly and sent to other GSM subscribers, either individually or broadcast

to multiple recipients. Additionally, Nokia have launched a software product called Cellular Ware, a Microsoft Windows application, which enables users to access their Nokia GSM phone via Windows' Telephony Application Programming Interface (TAPI) and an RS232 serial cable interface so that all the functions of the GSM handset are available from the computer keyboard. SMS messages can then be composed in the same way as sending e-mail or fax documents. The potential for new third-party value-added

resellers and "content-providers" to enter the SMS market, offering bespoke information broadcast services such as stock prices, traffic, weather and news services is great. Cellnet are set to launch their SMS service over GSM at the annual TMA show in Brighton next week. The BT- Securitor cellular operator are targeting their SMS offering at both the corporate market with local area network (LAN) integration as well as standalone PC-modem links for the Small-Medium-sized enterprises (SME) and SoHo (Small

office/home office) markets. Cellnet also see the potential for SMS to be used to alert GSM mobile phone users within a corporation of incoming e-mail messages on the company LAN. Additionally, the cost-effectiveness of dial-up access from the desktop makes SMS an attractive option over conventional voice messaging or "calling party pays" (CPP) paging messages. Nevertheless, advances in paging technologies are making life tough for current SMS, particularly in the area of CPP methods, where there are no

pager subscription tariffs for the user. The trade-off depends on who is doing the calling and who is receiving. Next generation paging systems will offer "two-way" messaging capabilities. Already in France, for example, three new digital European Radio Messaging System (ERMES) networks have been launched which have the ability to immediately respond to page messages. In the US, narrowband personal communications services operator SkyTel is already making great strides in the marketplace with two-way, boasting "can

your pager do that?" With such two-way capabilities, pager users can acknowledge receipt of messages by pressing a button. SMS, on the other hand still requires the GSM phone user to either initiate a voice call to acknowledge the message or compose a separate SMS return message. The difference is SMS is available today in the UK and most of the other commercial GSM and PCN networks, whereas ERMES systems have yet to be launched. In a bid to demystify the often "user-unfriendly" nature of GSM jargon, Vodafone has even called their SMS service "TeleNote". Santa will be receiving many more "telenotes" over the next few years.

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## A SPECIAL REPORT

## MOBILE COMMUNICATIONS



## High-flying communication

Anne Shaw explains how to stay in touch even when you are flying at 30,000ft

Over the past few years airlines have been falling over themselves to install state-of-the-art communications facilities in their aircraft for the use of passengers. They believe that busy executives don't want to be relaxing at 30,000ft when they could be in touch with the office, phoning clients, sending faxes or studying the state of the markets on a screen installed in the seat in front.

However, a study conducted by the International Air Transport Association (IATA) earlier this year showed that this may not be the case, and that nearly 50 per cent of business travellers welcome a chance to get away from it all and perhaps watch the videos they do not have time to see at home.

The Corporate Air Travel Survey showed that 49.4 per cent of passengers believed that airlines would do better to invest in better in-flight entertainment systems than on-board communications.

Nevertheless, the airlines are continuing to pour money into in-flight communications systems, seeing them as a valuable

marketing tool, particularly for attracting passengers at the top of the fare range.

BT, for example, is developing an innovative range of data services which will reach airline passengers via a seat-arm or seat-back video screen, selecting services from an icon-driven menu. Meanwhile, a commercial trial is going ahead to supply passengers on selected flights into Sydney with Reuters near real-time business current affairs and sports headlines.

British Airways is spending up to £80m on the world's most advanced in-flight entertainment and information system for its long haul aircraft, including an interactive video screen, control panel, telephone and chargecard swipe linked by satellite to mainframe databases on the ground.

Telephones have been available on board aircraft since the end of the Eighties and operate

on both terrestrial and satellite systems. The advantage of satellite services is that calls can be made regardless of the aircraft's location in the world and can also be made air-to-air.

Equipment is usually bulkhead-mounted but may be incorporated in the seat arms of business and first-class cabins. For security reasons, you cannot phone a passenger on a plane from the ground, although some services offer in-flight paging so that passengers can return calls immediately.

Where permitted by the airline, passengers are also able to send and receive computer files. The major player in the passenger communications arena is Skyphone, a consortium formed by BT, Singapore Telecom and Telenor International - formerly Norwegian Telecom - which was set up in 1989 to deliver one-stop digital air-to-ground voice, data, fax and entertainment services to

passengers on commercial flights using satellite technology. Skyphone has 55 per cent of the world market for air-to-ground voice calls. Customers include Singapore Airlines - the first Skyphone user in 1989 - British Airways, Lufthansa, Virgin Atlantic, Emirates, Air India, Garuda, KAL and Asiana.

Skyphone delivers a global service from Inmarsat satellites, and has just spent \$32m on a second ground-earth station in Singapore, to handle voice and interactive services for passengers flying in the Australasia and Asia-Pacific region.

Chris Earnshaw, managing director of networks and systems at BT, said: "Asia Pacific is a crucial and, as yet, largely untapped sunrise market for the airborne communications business and is one into which we intend to make decisive inroads. We estimate conservatively that onboard call revenues could reach as much as A\$52bn within the next five years."

Until recently, charging has posed a problem for in-flight calls. A call generally costs a passenger about \$8-\$10 per minute, but the mark-up on what Skyphone charges the airline is at the airline's discretion. Hitherto calls have been charged to the passenger's credit card, but two months ago Skyphone launched a prepaid telephone card which will start commercial trials with airlines early next year.

Robin Lawrence, passenger-

programmes manager, said: "The prepaid card will give Skyphone tremendous leverage in developing passenger telephony markets where the credit card culture is minimal."

The Skyphone service also allows faxes to be sent and a machine is often provided on-board by the airline. It is also technologically possible to send a fax from a passenger's own PC, but many airlines have introduced restrictions on the use of laptops in-flight, because it may interfere with the pilot's control systems. Skyphone launched the world's first commercial passenger air-to-ground fax in 1993 on Singapore Airlines. The facility it uses at present is twice the speed of that former service.

A spokesman for BT's aeronautical division said: "Doubling the transmission speed is a major network breakthrough. The 2.4 kbit/s rate was relatively slow for airborne fax and data services. The industry as a whole is now looking to standardise at the faster and more price-efficient 4.8 kbit/s rate."

Privacy is ensured on voice, fax and data calls with a new encryption service which will deliver digitally encoded calls over the network. During a secure-voice call the analogue-voice signal is encoded to a digital signal operating at 2.4 kbit/s with full call back-up at 1.23 kbit/s. It is then transferred through a V.22bis modem and passed across the satellite link. At the receiving end it is decoded by a similar-speed modem and translated back into speech. The modems can either be built into the hardware or fitted separately.

## Surfing the international airways

ANDREW ORLOWSKI

Just as nature abhors a vacuum, so the travel industry is poised to fill one of the most striking information gaps. There is currently very little to buy on the Internet for the wired-up business, when one considers the trillions of bytes of data which pass through the airlines' computer-reservation systems each day. These vast databases - called CRSs - are the engine rooms of the travel industry: inventories of flight details, car hire and hotel accommodation. Change is imminent, but not before the threat posed by hackers has been eradicated.

"We wouldn't contemplate doing business over the Internet until security has been added," says Colin Makin, Director of Consumer Futures for Thomas Cook. "However, we estimate that's less than six months away." The retailer divested itself of its business travel interests to American Express last year and, under the terms of the deal, must concentrate its on-line initiatives to the small business sector. Its forthcoming service will provide access to two of the five major CRSs; the dial-up applications have been beta-tested and are ready to run, according to Mr Makin.

It won't be seen on the Internet, but instead will use the subscriber-only commercial networks: CompuServe, Microsoft Network and, in the US, America Online. Eager to add content for the relaunch of its network services, Microsoft has announced a partnership with United Airlines which links to the Apollo database, part of the Galileo CRS in which British Airways has a stake. Although CompuServe currently carries the successful "Easy Sabre" system, United Connection and Thomas Cook both promise more graphical software, for users more accustomed to the colourful pages of the World Wide Web.

Closer to home, PhoneLink's information service has announced its own ambitious travel plans. The company currently markets Tel-Me, an umbrella for a range of software services for PC or Macintosh computers, all sharing a common very simple user interface including news, financial information and domestic road and rail queries. From next year, a new module will be able to access the Worldspan computer-reservation system directly. The database holds flight information from 350 participating airlines and 26,000 hotels.

Mindful of the expense incurred by the on-line commercial services, PhoneLink's Roger Macdonald describes his company's philosophy as "hardly on-line". "You will get an answer back more or less instantaneously and not have to spend a lot of time finding out where something is going," he says. He cites the often-quoted statistic that a

simple booking takes on average 19 minutes and four telephone calls to complete. On a commercial network service, he says, "that's like sitting in a taxi with the meter running." The company has so far lived up to the promise of completing most queries within one phone unit. The software is disarmingly fast. Current queries are completed within the time it takes to complete the logging-on sequence to a typical dial-up Internet provider.

Gradually, the airlines are encroaching on travel agent territory, allowing customers to access their CRS inventories directly. "It's very softly-softly," observes *Airline Business* deputy editor Jackie Gallacher. "The on-line systems appeal most to the smaller airlines, as it allows them to cut out the booking fee payable to the CRS owners." Although PhoneLink's service will remove the need for pre-booking query handling by agents, the reservations are passed directly to the chain for processing. "The travel agent receives a definite query, and tickets it," says Roger Macdonald. "It's emphatically not our intention to bypass the agents; they'll continue to get their commission."

The answer for travel agents may well be to follow the lead of specialist business travel agency Seaforth. Although it lets customers access the CRS databases directly, its on-line booking service contains built-in intelligence which can only come from experienced agents.

This week Seaforth announced a new Windows 95 product to be launched in the spring. Seaforth product manager Gary Hance explains: "The niche market for the specialist travel agent will contract as it's squeezed by the major players. We had to offer something else." The Travel Window software is currently hosted on the London-based Minerva bulletin board, and provides access to the Galileo Reservation System. Although a far cry from the glitzy pages promised for the commercial networks, the product's focus on management tools gives Travel Window some unique advantages. For example, auditing facilities allow a finance director to keep tabs on his staff's travelling date, destination or ticket price. This kind of pre-and-post travel data is invaluable, claims Hance, for negotiating booking deals with airlines. "It's a proactive tool," he says. "You don't have to wait three months to analyse who's gone where."

Unusually, the Windows product will be distributed free, with no license costs and, as at present, no on-line charges - an indication of how determined the travel agents are to maintain their hard-won commissions. "They're so switched on," enthuses Hance on his on-line customers. "And they know they're own requirements better than the travel agents do."

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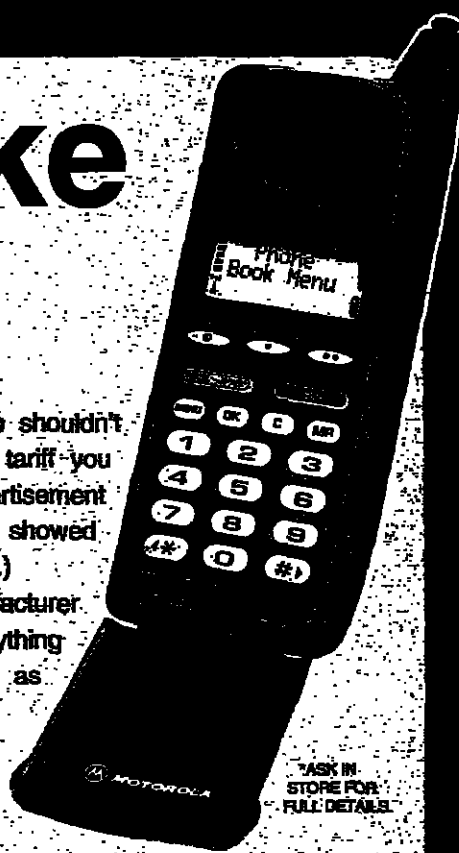
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## THINKERS OF THE NINETIES

## After the end of history, what next?



The soundbite was simple but, says **Bryan Appleyard**, there is more to this man than right-wing triumphalism

The end of the Cold War in 1989 was also the end of the defining struggle of the 20th century – the confrontation between democracy and totalitarianism of the right and left. Fascism had been militarily defeated in 1945 and, 44 years later, communism was economically, politically and culturally overwhelmed.

On the one hand democracy had prevailed over the irrational, pre-modern racial and nationalist supremacism that was fascism. On the other it had defeated in communism a rational, modernist ideology, a quasi-scientific approach to the organisation of society. Liberal democracy found itself, startled and uncertain, in the position of total victor.

But what did this mean? Was liberal democracy right or simply more effective? And was its victory permanent or merely temporary? In 1989 there appeared one extraordinary answer to these questions. We had reached the end of history.

Francis Fukuyama published his short essay "The End of History?" in the conservative Washington journal *National Interest*. Fukuyama was an obscure "policy wonk" associated with the Rand Corporation and the State Department. But almost at once he became one of the most debated thinkers in the world. Two years later he published a book-length version of the argument called *The End of History and the Last Man*. And this year he broadened his approach and significantly modified his argument with his book *Trust: The Social Virtues and the Creation of Prosperity*. He is now widely accepted as the most influential and certainly the most famous commentator on global political and economic conditions.

The huge impact of the original essay can, initially at least, be ascribed to the sensational title and the superb timing. The title gave an instant soundbite debating point and the timing meant that here was a philosophical message that was right on the nose of the nightly news. The Berlin Wall had indeed looked eternal, its destruction did indeed look like the end of history.

But there was more to it than that. For Fukuyama was not just topical, he was also good – good enough to have defined the central macro-political debates of the 1990s.

The intellectual starting point of his *End of History* argument was his reevaluation of the philosophers Hegel and Nietzsche. Both had been partly discredited by their association with totalitarianism. Hegel was said to be the

forerunner of communism and Nietzsche of fascism. As a result, certain vital elements of their thought had been effectively dismissed from respectable debate.

Fukuyama resurrected the Hegelian view that there is a direction to history. Communism had abused this idea by inventing a historical direction which, though Hegelian, was palpably not true. But Fukuyama argued that scientific knowledge, because it could not be lost, only accumulated, had introduced a definite direction, a movement towards ever higher technological capability. This movement has led, he argues, inexorably towards capitalism and liberal democracy. It was, for example, American micro-electronics that threatened to render obsolete the entire Soviet arsenal and thereby accelerated the fall of communism.

From Nietzsche came the idea of human aspiration as the pursuit of recognition. This was in contrast to the pursuit of survival and economic self-interest that had dominated Western thought since Hobbes and Locke. The First Man – a mythical figure at the beginning of the historical process – was not primarily seeking wealth, he was seeking affirmation of his identity and worth. Whereas the economic First Man will always compromise in the name of survival, the Nietzschean First Man will press forward towards recognition, driving the Hegelian process.

Liberal democracy encompasses this drive and provides the climax of the historical process. Once communism had fallen, there was no competing source of legitimacy left in the world. Clearly history would go on in that ancient struggles had to be played out – as in former Yugoslavia – but history, in the sense of a conflict between big ideas, was over.

Fukuyama was attacked by many as being little more than a State Department propagandist, providing intellectual respectability for Republicans and Tory triumphalism. But in his book-length version of the argument, it became clear that his message was not crudely optimistic. He believed there were significant human problems with the ending of history. Once the long struggle for recognition had ended, or, at least, been defused, what was there left to do? Would the Last Man be little more than a passive consumer, devoid of spiritual depth? Would he, as Nietzsche put it, be a "man with no chest"?

These doubts made the whole argument more convincing. The simple spectacle of the liberal democracies standing triumphantly at the end of history had conflicted with the

No 2:  
FRANCIS  
FUKUYAMA

*'There is no other source of legitimacy in the modern world than liberal democracy'*

**CAREER:** Francis Fukuyama was born in 1953 in Manhattan of Japanese parents. He studied classics and then comparative literature at Yale. He studied in Paris under Roland Barthes and Jacques Derrida and then went to Harvard, where he specialised in Middle Eastern and Soviet politics. He worked for the Rand Corporation in California and then, for two years, was on the White House staff under Ronald Reagan. He has been deputy director of the State Department's planning staff. He has since returned to the Rand Corporation.

**WORK:** His essay "The End of History?" appeared in 1989 and was followed by the book *The End of History and the Last Man* in 1992. *Trust: The Social Virtues and the Creation of Prosperity* was published this year.

**LIFE:** He is married and has a daughter.

**CRITICISMS:** His work has been attacked as American propaganda, a triumphalist celebration of victory in the Cold War. The *End of History* theory was dismissed by many as naive and *Trust*, his most recent book, as vague and contradictory. Michael Ignatieff damned Fukuyama's bland, long-winded style as being "like a fat man trying to get a glimpse of his shoes".



PRIESTLEY

West's own view of itself. Uncertain and riven with internal conflicts, the victorious nations did not, in 1989, necessarily feel victorious. To point out that the end of history might well be marked by a spiritual vacuum made human sense; it seemed to be observably true.

But the problem with the argument was that it tended to present the world as being relentlessly smoothed out into one featureless liberal democratic plain. Certainly one could say that this ideal had triumphed in the sense that it was globally perceived as the only possible form of political legitimacy. And certainly one could hope that the pattern of the last 200 years would continue – no two liberal democracies have ever gone to war. But there seemed to be huge local variations in what precisely the ideal meant and how effective it was in application. It made nations richer, but it made some richer than others. And the social costs of that wealth also seemed to vary enormously – from peaceful, low-crime Japan to violent, high-crime America.

In *Trust*, Fukuyama addressed these cultural variations. Success in the operation of capitalism could best be achieved by nations with high cultural assets, the most important of which was trust. An ability to extend trust throughout a society is essential for the building of the large corporate units of modern capitalism. Amer-

ica, Japan and Germany have high levels of trust; France, Italy and China low levels.

The importance of this argument is that it distances Fukuyama from straightforward free market conservatives. The free market, he accepts, is essential but only accounts for about 80 per cent of the story. The remaining 20 per cent is cultural, and trust lies at the centre of this cultural requirement. This new argument means that Fukuyama cannot simply be dismissed as a hard conservative triumphalist or as a crude deterministic propagandist for liberal democracy. He sees that, even if the broad systemic arguments are over, there are still huge variations and tensions to be understood.

But the peculiarity of Fukuyama as a thinker is that precise agreement or disagreement with his argument is not really the point. His long, baggy and blandly written books are more like environments or databases than conventional, linear expositions. In these mountains of analysis, local insights might prove to be more significant or persuasive than the general argument.

So, for example, one of the most important aspects of *Trust* is the way it denounces the myth that the Asian economic boom is based upon a mass of culturally homogenous nations. In fact, he shows that Asian states vary as much or more than Western. China is a chaotic, family-centred society, Japan is

a disciplined, group-centred society. Korea lies somewhere between the two. And so on.

This may seem a simple and, to anybody who has visited the countries, obvious point. But it is one that is repeatedly missed in the crude arena of public debate. Fukuyama's gift is to see it, explain it and make it stick in the mind of the reader. Even his bland, infuriatingly characterless prose works to give an impression of quiet authority. Information is being imparted rather than a thesis advanced.

Fukuyama's importance lies, therefore, as much in his role as a kind of massively informed footnote and inspirer of public debate as in his role as a pure thinker. In the latter role his ideas function as hugely ambitious suggestions or possibilities rather than as hard, polemical positions.

The most telling criticism of his work is that it is too neat, too bloodless. It is a vast synthesis of data rather than experience. When he writes of China, for example, you are given a cerebral understanding of the place, but not the smell. He makes perfect conference fodder. On the other hand, the highest praise is that he, more than anybody else, has defined the big macro-political questions of the day: where are we going, how did we get here and how did we, of all people, win?

Next week: Samuel Huntington.

Illustration: Chris Priestley

## Diary

RUTH DUDLEY EDWARDS



Last week I had a call from an Orange friend who out of curiosity had attended in Belfast the "Spirit of Duncree" meeting, an event organised by the redneck (orange of orangene?) elements within the Order. Their purpose was stoutly to oppose any attempts at modernising, compromising, reassuring Catholics or doing anything else that might have raised an eyebrow in the 17th century. My friend became upset when one dogmatic citizen – to widespread applause – began his speech with: "I'm a sectarian bigot and proud of it." Is it too late to revise Alf Garnett, equip him with sash and bowler and resile his sitcom in Portadown?



The spirit of Alf lives in Portadown

Though I greatly enjoy my friend Val McDermid's private eye series, as soon as she told me the subject matter of her new book, *The Mermaids Singing*, I assured her that nothing would persuade me to read it. I take no pleasure from being terrified. However, affection made me weaken and acquire the book and last Monday I addressed myself to it gingerly and was gripped by page two. Four hours later I was on the last page and had turned into a quivering wreck; twice I had failed to respond to the doorbell lest I be confronted by a psychopathic torturer. I read the last sentence with some bewilderment and rang Val in order tactfully to ascertain if by any chance a page had been left off the end.

Through a red haze, she told me that only that afternoon she had discovered that in an absent-minded

were the lives of freelance left-wing journalists. She cited one unfortunate who was forced to subsidise his principled journalism by writing travel articles; recently he had had to waste his time travelling first class to Japan. Alas, the materialism of the Eighties appears to have left its mark on the brotherhood, for her tragic tale elicited the howl, "I'll do it," and the audience dissolved in laughter.

On Wednesday, with another journalist, I was on an after midnight radio programme with three MPs to discuss an alternative Queen's Speech. The Conservative Alan Duncan has argued forcefully in print for decriminalising drugs, but as he is now a PPS he can no longer dissent from party policy and had to leave me to argue the case alone. He had been, as the presenter, Vincent Hanna, put it, "Clareshorted". This useful new verb means that if you want to avoid the sack you may doggedly have to refuse to state the views everyone knows you have. As Tony Walton explains:

Clare Short  
Had to be taught  
In the belly of the whale  
You mustn't inhale



Clareshorted, but still alive

At dinner on Friday night I asked Michael O'Siadhail how a full-time poet ensured he had something to write about. "I'm gregarious," he said. "And I draw a lot of inspiration from people I meet on my poetry reading tours here, in Ireland and America." I

looked at him dubiously, imagining the sameness of the audiences at universities and cultural centres. "Who's next?" I asked. "On Monday," he said happily, "I'm reading at Broadmoor in the morning and Eton in the evening."

In a fit of petulance, the US blocked the appointment of Rued Lubbers as secretary-general of Nato, so naturally France has savaged the other declared candidate, Uffe Ellemann-Jensen. Bishop PC Rodger comments wisely: When members of Nato get stuffy it's easily misunderstood. Why the French become huffy with Uffe And Americans rude about Rued.

And David Shields has composed a cleribew for viewers of *The Final Cut*: Each Sunday night, John Major is glued to the box, I'll wager, in his eagerness to work at emulating Francis Urquhart.

"Who wrote that?" asked Andrew Boyd about this dactyl concerning the admission of the first consignment of girls to an Ivy League campus: Co-educational Extracurricular Heterosexual Fun is in store.

"If you lift the baying pack of correspondents that you have now mustered on to the scene, they will surely run it to earth and maybe even kill." Please do. And while you're at it, I want advice on how properly to describe the working readers of the column: "hounds" seems less than respectful.

Acc contributor Una O'Donoghue some weeks ago suggested "elves" – and some of you have picked up the theme in correspondence – but she became worried when she looked it up and found all sorts of dwarfish and malignant connotations. However Brewer's *Dictionary of Phrase and Fable* says the malignant kind of imp is passé and has given way "to those airy creatures that dance on the grass in the full moon, have fair golden hair, sweet musical voices, magic harps, etc." Well, delivers that sounds just as I imagine you all. Shall we go elfish?

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For New Year, Mackays of Alloa - where else - have brewed a Hogmanay Ale (ABV 3.8). From Europe, Regal Christmas (ABV 9.0) and Blanche de Noël (ABV 4.5) from Du Bocq. Also included are Waggle Dance (ABV 5.0) from Vaux, a beer that includes honey in the recipe, Sheep-Lifter (ABV 5.1) and Cumbrian Ale (ABV 4.2) from Jennings of Cockermouth; Castle Special Pale Ale (ABV 5.0) from McMullen, and Freedom Lager (ABV 5.4), a true Pilsner beer brewed in London.

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## Gordon Brown's early Christmas

Everyone loves tax cuts. Labour forgot that in 1992 and, as result, lost the general election. Gordon Brown will not make the same mistake again. As he explains opposite, Labour plans not to raise taxes but to cut the lowest rate from 20p in the pound to 15p or even 10p. There are two results: most people would get the same tax cut, but the lowest paid would feel the most benefit, so providing a fresh incentive for those on the dole to accept low-paid work.

In political terms, this is a bold move from the Shadow Chancellor. He achieves, at a stroke, a number of goals. Mr Brown has stolen the Tories' tax-cutting clothes, while at the same time making a gesture to Labour concerns of cutting unemployment and creating a fairer tax system. It will now be more difficult for the Tories to label Labour the tax-raising party. And, into the bargain, the policy also allows Mr Brown to recite the Nineties shibboleth of reducing welfare dependency.

But is it a sound policy? Can we afford it? Because Mr Brown spells out his long-term hopes rather than his immediate promises, he cannot fairly be accused of profligacy. But it would cost perhaps £6bn to cut the lowest rate to 10p. This is even higher than the £4.5bn that the Chancellor apparently wants to give away in his last-fing Budget. The markets think that figure is too high.

It also hard to square Mr Brown's ambitions with Labour's belief that state education and the NHS are underfunded and that the Government should encourage investment rather than consumption. All these problems cost money that must be found somewhere, probably from tax-

ation. In short, it would be some time before a prudent chancellor could make Mr Brown's tax-cutting dream a reality. That said, his proposal would help some people out of the welfare poverty trap. It is ridiculous that those on low earnings are so heavily taxed that it is hardly worth their while working. Two-thirds of jobs offered to the unemployed pay less than £7,000 a year: the more of that they can keep, the more they will opt for employment over the dole.

There are, however, more effective ways to lift people out of the unemployment trap. Generous in-work benefits are more efficient than general tax cuts, which also throw money at the rich (although Mr Brown seems to hint that their tax gain might be clawed back). But extra welfare spending is off the agenda: Mr Brown knows it is a vote loser. So, largely for populist reasons, he has avoided the most efficient and cheapest option for getting people off the dole.

In short, Labour has spotted a political opportunity and developed an economic policy which, though too expensive to be fully implemented now, could prove popular and do something to bring more people into the jobs market. An expansion of the labour pool would also help to reduce the risk of wage inflation if the economy boomed.

But there is a whiff of political short-termism about Mr Brown's package. The danger is that Labour, fearful of being outflanked by a desperate government, could be as unrealistic in its ambition to reduce taxes as it traditionally has been about increasing state spending. The Shadow Chancellor must keep his feet firmly on the ground.

## No absolution for war crimes

The signing of a peace agreement by the warring parties in Bosnia will be welcomed with a sigh of relief across Europe. But a peace deal is only the first step. Building and keeping the peace will require careful navigating through a mire of passionate recriminations. One of the most difficult questions is what to do with those who committed the most vicious and brutal crimes of the war.

More than 50 men have been indicted on war crimes charges by the UN tribunal in the Hague. Only one is in custody. Two of them, the Bosnian Serb leader, Radovan Karadzic, and the military commander, General Ratko Mladic, have been charged with genocide and crimes against humanity for the massacre of up to 6,000 Muslims near Srebrenica. A Bosnian Croat general, Tihomir Blaskic, has also been indicted for killing Muslims, but Croatia's President Franjo Tudjman has given him a senior position and a safe haven in Croatia.

Faced with the same problem after the Second World War, the Allies prosecuted Nazi war criminals at the Nuremberg trials, which began exactly 50 years ago today. But parallels between these events and the situation in former Yugoslavia are limited. After the Second World War, the German and Japanese regimes were overthrown and rendered incapable of further resistance. The victors could – and did – dispense their own justice.

Bosnia is different. No one side is able

to dictate the terms of peace. Indeed, the pursuit of war criminals could make it harder to end the war: if those responsible for genocidal slaughter fear incarceration or worse, they may be less willing to settle the conflict.

But important principles are at stake just as they were at Nuremberg. If the new Bosnia is to survive, it must, from the start, recognise publicly the horrors that have taken place. It cannot simply turn a blind eye to the deaths of hundreds of people who were murdered in cold blood.

Malcolm Rifkind and the UN peace negotiators must stick to their commitment that peace should not be made at the cost of letting war criminals go free. Whatever the nature of the accord struck, it must not include an amnesty for those guilty of the worst war crimes in Europe since the fall of Nazism.

Such a policy need not stand in the way of peace. So far, the indictment of Mr Karadzic and General Mladic has not held up proceedings in Ohio. In fact, it is unlikely that the accused will stand trial in the near future: they are safely hidden away on friendly territory. Only pressure from the major powers will convince Croatia and Serbia to hand them over.

Justice will come only slowly for those who committed war crimes. But as survivors of the Holocaust have demonstrated, the struggle to achieve it must go on. This is the least that the peacemakers owe to those who died so savagely.

ANOTHER VIEW Kevin Watkins

## Whose property is life?

Where is it going to stop? Last week, the US government quietly patented the DNA of a man living in the remote north of Papua New Guinea. Today, the European Patent Office decides on whether to confer on Harvard University intellectual property rights in a genetically manipulated mouse. Slowly, unobtrusively, behind a dense fog of technical arguments, the laws of genetic life are being revolutionised.

The rise of the biotechnology industry over the past two decades has provided the impetus behind the change. Powerful pharmaceutical and agro-chemical companies have argued that without intellectual property protection they have no incentive to invest in genetic modifications that could save lives and enhance farming productivity. Through their influence over Western governments in the last GATT round of trade talks, these companies have created a globally enforceable intellectual property code. They are now working on overturning national legislation which prohibits the extension of that code to genetic materials, like DNA.

For these multi-billion dollar corporations the stakes are high. The world market in bio-tech products will be worth \$50bn by the end of the century. Intellectual property is fast replacing capital and production as the key to top profits.

Few people deny the importance of such research to combat genetic disease. The DNA in the Papua New Guinea cells may confer immunity to carriers of the

virus that causes leukaemia – hence its vast commercial potential.

Genetic property rights, in effect, provide their owners with a monopoly for up to 10 years. But what happens if corporate interests dictate that such materials be withheld from the market? Or be used to maximise profits rather than alleviate suffering? Alexander Fleming opposed the patenting of penicillin on precisely these grounds. And, more generally, do we really need faster-growing pigs and cows that provide five times more milk on Western farms which, with taxpayers' subsidies, already overproduce?

There is also the question of legitimacy. More than 90 per cent of the germ plasm used to develop high-yielding seeds in Western laboratories derive from seeds developed over centuries by peasants in the Third World. Unlike "gene-hunting" transnational companies, these peasants will be unable, under the new laws, to claim patent rights for their discoveries.

Ultimately, what is at stake is a fundamental question about human rights and ethical values. Should life be regarded as the property of all? Or can it be commercialised and commodified by unaccountable private interests and then subjected to the arithmetic of the marketplace? It is one of the greatest moral questions facing us. It cannot be left to lawyers and corporate executives to decide.

Kevin Watkins is senior policy adviser for Oxfam



## LETTERS TO THE EDITOR

### Dual entry for universities

From Mr Peter Davies

Sir: Regarding your article "Universities devise new entry system" (17 November), they need to. Not only are the majority of A-level predictions wrong, but admissions tutors are forced to play an absurd guessing game of precisely matching target figures, with financial penalties for errors in either direction, on the basis of teachers' predictions. Moreover, every year some small percentage of students arrive at university without quite knowing why they are there, or whether they are reading the correct subject, because they have conformed to either parents' or teachers' expectations.

However, the proposed new system seems to combine the worst features of both normal entry and clearing. The first phase will still be based on guesswork and presumably this will account for the majority of places, the second phase after the results are known will closely resemble the present clearing system.

A better system might be to take advantage of the modular and semester systems which seem to have been imposed on the majority of universities and to have two entries each year. It could well be beneficial to students if there had to be at least a six-month gap between leaving school and entering university. This might allow them to reflect on their choices and make better decisions. Entry could be timed for semester 1 or semester 2, with two periods of graduation each year. As modular courses are intended to stand alone and be completed within a semester, and there are currently two examination periods each year and two

graduation ceremonies, it would take relatively little reorganisation to implement such a system. Departments would be able to make their offers on the basis of known results to students who had the chance to decide what they wished to read. University administrators would be able to spread their work-load over a longer period, and graduates would be released on to the labour market in two batches. A dual entry period would appear to offer advantages to students, departments, admissions tutors, university administrators and the community at large.

Yours sincerely,  
PETER DAVIES  
Department of Psychology  
University of Leeds  
Leeds  
17 November

### Family planning helps Third World

From Mr Harry Stopes-Roe

Sir: I much appreciate Emma Brooker's report on our conversation ("Sex, libel and eugenics" 17 November). But there was one point where she over-simplified what I said. As the issue is important, I would like to explain.

I said that the family planning being done by Marie Stopes International (continuing my mother's work now, in ways relevant to a complex problem (namely, Third World development); I did not say a "practical solution to a straightforward problem". There is a growing attack by certain elements in the Third World movement against the importance of family planning; and one of their grounds for attack is the claim that some supporters of family planning press it as the solution. I, and those I know, certainly do not.

There are 100 million couples in the Third World who have no proper family planning services, which is causing untold tragedy.

### Churchill's papers

From Ms Perdita Hunt

Sir: I would like to put the record straight about the precise ownership of the Churchill Papers ("Dream machine that seduced a nation", 13 November).

As we emphasised at the time of the announcement, the Government-owned official or state papers within the collection, including Crown Copyright

Many hundreds of thousands of Third World women a year have non-medical abortions, often suffering the attendant morbidity and death.

These are personal tragedies. The community also suffers. Every addition to a country's population requires addition of capital to provide corresponding education and health care, and as the child reaches maturity further additional capital is required. All this must be provided out of whatever increase in GNP the country may achieve, thus reducing the GNP per capita available as income. Increased total food production yields a reduced per capita food production in nearly half the developing countries. Women's personal losses have their communal costs, too: for example, half of the Nigerian maternity budget is wasted on complications from illegal abortions.

Certainly the developed world should support health, women's education, appropriate technology, etc; but family planning is very productive, too.

Yours faithfully,  
HARRY STOPES-ROE  
Birmingham

where applicable, were not included in the purchase price. The price, paid by the Heritage Lottery Fund and J Paul Getty KBE, reflected the value of the private and literary papers alone.

Yours sincerely,  
PERDITA HUNT  
Head of Communications  
National Heritage  
Memorial Fund  
London, SW1  
17 November

### Nigeria: failure to learn from the Biafran war

From Mr Peter Cadogan

Sir: Nigeria is glutted with arms and has no war on its hands. The arms embargo, therefore, has to be a political joke. Had that embargo been imposed 27 years ago in defence of Biafra, it would have made sense; but the craven Commonwealth of those days just stood by and let a million die. Today's military dictatorship is the logical outcome of the failure of 1967-70.

Military government is the only way to hold Nigeria together. Without it the country would immediately split up. And so it should, if there is to be any justice and any democracy. "One Nigeria" is an alien imposition, designed by Lord Lugard before 1914 as a military device to defend a territory sandwiched between competing French and German territories. It has no African political identity.

If the Commonwealth means business, it should declare an open conspiracy to help the democratic opposition in Nigeria to remove a tyrannical government guilty of judicial murder.

I remember in 1969, at the Commonwealth Conference in

London, the Prime Minister Harold Wilson saying that Biafra would not figure on the agenda but that he might discuss it over coffee. It is from that kind of horror that today's Commonwealth has to redeem itself if it is to have a future.

Yours truly,  
PETER CADOGAN  
London, NW6  
14 November  
The writer was secretary of the "Save Biafra Campaign" 1968-70.

From Mr Edward Poulney  
Sir: It is disingenuous of Shell to inform us that revenues from the Nigerian Liquefied Natural Gas Project will not start flowing until early next century (advertisement, 17 November). The facts of Nigerian life are that, even assuming the oil company has managed exceptionally to avoid paying big commissions to representatives of those in power, any sub-contracts attached to this development can generate instant unearned wealth for well-placed third parties.

But we should not yet abandon all hope; with luck, the secondary spin-off from this project might

just be enough to persuade Nigeria's military rulers that they can now afford to retire.

Yours faithfully,  
EDWARD POULNEY  
London, SE18  
19 November

From Ms Gilly McIver  
Sir: I am a small shareholder in Shell, until last week dumbly unaware of the fact, and also a protester against President Abacha's treatment of those who oppose his regime. I have unwittingly got blood on my hands. I would like to sell, but will it change anything? Can I, with thousands like me, be more influential as an insider, however inconsiderable?

What can we do to pressurise Shell into taking its moral and environmental responsibilities more seriously, and not only where it shows? Yesterday's astonishing decision to proceed with the Liquefied Natural Gas Project does not augur well ("Shell to go ahead with Nigerian gas plant", 16 November).

Yours,  
GILLY MCIVER  
London, N7

### What price noise and air pollution?

From Mr Lilli Mason

Sir: Reports of the Department of Transport's efforts to put a precise price on environmental issues as diverse as noise, air pollution and landscape degradation ("Minister aims to put a price on tranquility", 14 November) give a depressing indication of how it may intend to take forward its Great Transport Debate.

For too long the Department of Transport has made cost-benefit analysis the central pillar of its decision-making. Simply broadening the scope of this methodology, in a vain effort to address a wider set of environmental issues, will do little to calm public concern that the decisions produced are the "right" ones. Attempts to put a price on tranquility or the beauty of a landscape have rightly been discredited in the past. With the best will in the world, they can never express the true value of these assets.

The DoT should abandon this wild goose chase and look instead for new ways of informing its decisions. These should rely more on involving communities in transport planning and assessing the environmental impacts of different transport options – cost-benefit analysis should then form just one part of the process.

Yours sincerely,  
LILLI MASON  
Transport and Energy  
Campaigner  
Council for the Protection  
of Rural England  
London, SW1  
15 November

Letters should be addressed to Letters to the Editor, the Independent, One Canada Square, Canary Wharf, London E14 5DL and include a daytime telephone number. (Fax: 0171-293 2056; e-mail: letters@independent.co.uk). Letters may be edited for length and clarity. We regret that we are unable to acknowledge unpublished letters. Back issues of the Independent are available from Historic Newspapers, 0800 906609.

### Building a police state in Britain

From Mr John Alderson

Sir: Christopher Bellamy reports (17 November) a speech by Michael Portillo, Secretary of State for Defence, to top military and civil servants in which he painted a grave picture of future "inner-city crime", which may call for the Armed Forces of the Crown to be diverted to police duties. This, coming in the same week as the Home Secretary, Michael Howard, informed us via the Queen's Speech that our secret political police (MI5) would also now be diverted to police duties, should concern us.

Are the seeds of our own version of the East German Stasi being sown ostensibly to protect us from what the Home Secretary and the Secretary of State for Defence seem to see as the evil in our midst? To put two building blocks of the police state into position in one week must be a record, outside war.

It was only through the House of Lords that the Home Secretary's plans for control of our police authorities failed; he has abolished our constitutional right of silence under police cell interrogation, and we are being softened up for the compulsory carrying of identity cards. Conflict between the Home Secretary's interventionist policies in penal sentencing and the judiciary is now serious. Surely we are not witnessing incipient fascism?

Fascism breeds on the incubus of extreme nationalism and authoritarianism, and initially seeks control of the police. It is usual, through rhetoric, to create fears in the minds of people and then to con them into surrendering freedom for security.

George Orwell wrote in *The Road to Wigan Pier*: "It is usual to speak of the fascists' objective as the 'beehive state' which does great injustice to the bees. A world of rabbits ruled by stoats would be nearer the mark."

Yours faithfully,  
JOHN ALDERSON  
Ottery St Mary,  
Devon  
The writer was Chief Constable of Devon and Cornwall (1973-1982).

### Men have responsibilities in family life

From Ms Carole Tongue, MEP

Sir: British society is not renowned for its great affection for women and children. They are invariably the butt of a patriarchal morality.

Andrew Marr's article ("Tony Blair's new moral imperative", 14 November) is a welcome reminder to the upper echelons of male-dominated business that they, too, have responsibilities and duties in a modern, civilised society. An admirable recognition of this would be to embrace the European Social chapter and legislation which will empower the lives of women and children in particular. One longs to hear one male voice from industry support the proposed European Union directive on parental leave that would enhance family life in this country.

Yours sincerely,  
CAROLE TONGUE  
MEP for London East (Lab)  
Strasbourg, France  
15 November

From Ms Annamaria Arlotta  
Sir: Why is the urge to have a large family still so strong in this country that even when a mother cannot feed herself or her children properly, it still does not occur to her to avoid further pregnancies (report, 14 November)?

In Italy, where we used to have large families, it is rare to see more than two children per family (the average birth rate is 1.25 per family). We consider our children "quality products". They are, on the whole, elegantly dressed and well fed, there are nurseries places for nearly everyone, and class sizes are small (my nephew was in a class of eight pupils at a state primary school in Florence last year). With two children, it is assumed that you have more time for them and more money to take care of all their needs.

Yours sincerely,  
ANNAMARIA ARLOTTA  
Canterbury, Kent

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The Shadow (C...

Niall Ferris

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0171 293 2056



# No taxation without explanation

The Shadow Chancellor lays out the principles that would guide Labour's long-term tax ambitions

Today I will lay down the tax principles for a Labour government. And I will outline our long-term aim to introduce - when affordable - a new starting rate of income tax at 15p, and preferably 10p, in the pound. This would benefit all lower- and middle-income families and it would promote opportunity and hard work and cut the marginal rate of income tax for people with low earnings.

The Government has also laid out its long-term tax ambitions in recent months: the abolition of Capital Gains Tax and Inheritance Tax at a cost of at least £4.5bn by the end of the century. Labour's approach to taxation will be guided by four principles which will be the basis of a new trust on tax between Labour and the British people.

First, a Labour government will be open and honest. We will not make promises that we will later break; we will not say one thing before the election and another after. That means no taxation without explanation. There will be no lies, no deceit and no irresponsible commitments.

Second, the tax system must encourage work, effort and opportunity - and not reward abuse or unjustified privilege. It is right, as Tony Blair said last week, that people at the top should have sufficient incentives to work and not be faced by penal rates of tax. But

we must also deal with the disincentives to work caused by penal tax and benefit rates which prevent people at the bottom of the income scale going out to work.

Our third principle is that taxes must encourage long-term savings and investment. That is why we have said we are prepared to consider extending the principle of Tassas and PEPs by introducing a new Individual Savings Account to promote long-term saving. And fourth, we must have a fair tax system based on the progressive principle - that rates of tax must be based on ability to pay.

Now is not the time to make the detailed announcements of tax rates well in advance of an election. Our first principle of honesty about taxation means it would be irresponsible to make these sort of announcements before we know the state of the economy and the public finances.

But it is right that the electorate should know the difference between the Conservatives' long-term tax ambitions and our own. A new lower starting rate for income tax would, unlike the abolition of the Capital Gains Tax and Inheritance Tax, both be fair and strengthen the economy.

As I said at the TUC on Saturday, this measure, in combination with new employment opportunities, a minimum wage and reform of the



GORDON BROWN

All lower- and middle-income families would receive the full benefit of the tax cut

benefit system, can break down the barriers to work embedded in the labour market and tax and benefit system. All lower- and middle-income families would receive the full benefit of the tax cut. And we must ensure that people on benefit do not find that extra income from the reduction in taxes is simply clawed back in lost benefits. That is why our proposal would be matched by an equivalent reduction in the rate at which benefit is withdrawn as income rises.

A lower starting rate of tax is both fairer and economically superior than using the same resources to increase

personal allowances. Simply increasing allowances would disproportionately benefit higher-rate taxpayers. And increasing allowances, while taking some people out of tax altogether, does not address the poverty trap caused by very high marginal rates of tax.

But most importantly, increasing allowances is based on limited aspirations - the desire to compensate people for the poverty rather than bring it to an end. It assumes that the same people are and will stay poor, and the only priority is marginally increasing their income.

My approach is different. It is clear that people in work are changing jobs all the time and we must help them to move them up the wage ladder. I do not simply want to compensate the low-paid for their poverty. I want to see them move out of poverty into well-paid jobs, and that is why we want to see lower tax rates for those at the bottom of the income scale.

So our long-term aim is a tax cut with a purpose, a tax cut which benefits everyone both directly and by putting people back to work, releases resources for stronger public services.

On the forthcoming Budget, Labour will set four tests for deciding our position on tax cuts. First, we will judge whether they are honest. Ever since 1979, the Conservatives have

given tax cuts with one hand and taken more away in tax increases with the other. Second, we will judge whether they are sustainable. A strong economy is the only way to sustain both fair tax levels and strong public services, which is why Labour has put forward proposals to put people back to work and increase levels of investment in our economy. And there should be no cuts in public spending which undermine our frontline services.

Third, we will judge whether tax cuts encourage opportunity and employment. The abolition of Capital Gains Tax and Inheritance Tax will not meet these tests and we will oppose these measures. And, fourth, we will judge whether tax cuts are fair. A fair way of cutting taxes would be to reduce the hated VAT on fuel, and a cut in the starting rate would be a fair and economically beneficial way of reducing the tax burden.

The Chancellor should know that Britain cannot afford a tax system even more regressive than it is already. What Labour wants is a Budget for Britain that is not only fair but which invests for the future and puts people back to work.

The writer is the Labour MP for Dunfermline East.

## It was a right royal message

Tonight I have to go to the theatre in Bath to see an Alan Ayckbourn play, which is going to be interesting, because I expect everyone else in the theatre would rather be at home.

In other words, I imagine that the sort of people who like to go to see Ayckbourn plays are also the sort of people who would not want to miss the Princess of Wales pouring her heart out on *Panorama*.

It is a matter of complete indifference to me, of course. I shall be quite happy sitting in the stalls, apparently following the play, but actually glued to my carphones and my wrist television set.

In any case, the important thing about Diana's interview is not what she says or how she says it, but how it will affect Christmas. For there is a widespread rumour in the newspapers that if the BBC goes ahead and broadcasts this interview with Diana, then in revenge the Queen will refuse to let her Christmas message go out on the BBC and the BBC will be a completely Queen-free zone. This does not appal me. Far from it. But my father would have been appalled. So would my great-uncle.

When I was a young lad, we were usually invited to spend Christmas Day in the home of my great-uncle and my equally great-aunt, who liked to make it a big family affair with never fewer than a dozen relations.

There was lunch and games and sometimes a long walk, but whatever else was happening there was always the Queen's Christmas speech. We would break off whatever we were doing at 3pm (drinking coffee in well organised years, laying the table in badly organised years) and gather round the TV set to see the grey and white pictures of Her Majesty doing her Christmas message, during which there was a reverent silence.

There was also a reverent silence long afterwards. On the subject of the Queen's message, I mean. No one ever discussed it, or asked each other what they thought of it this year, or even asked each other whether they agreed with Her Majesty.

No one said: "Well, shall we do what the Queen says? Shall we behave towards each other with greater compassion? Shall we be more serious about the Commonwealth of Nations?" It was as if the Queen had never uttered her message. It was vitally necessary to listen to it, but quite unnecessary to do anything else about it.

It was, in short, like the other great thing that everyone paid lip-service to but never took any notice of: Christianity. My father sent me to schools where they had chapel

once or twice a day, but never once did he and I ever talk about religion. Once a year we listened to the Queen, but never once did I ask why we had to listen to this dreary broadcast, this embarrassing lecture which made even school sermons seem interesting, delivered in a thin monotone like someone who has been desperately miscast in an amateur dramatics production, but who cannot have the part taken away from her because she is the producer's daughter.

I did once ask my father a question about the Royal Family. I must have been about 14 or 15. I said one day that I found it incomprehensible that the country should pay the Royal Family so much money. (Ahead of my time, here.)

"What do they do for it?" I asked him. "What does the Royal Family do to justify all that expense?" He goggled at me in silence for a moment.



MILES KINGSTON

"My God," he said. "I don't believe it. I've hatched a revolutionary."

Thereafter, for several years, whenever he introduced me to people, he would say: "And this is my son, the Communist." At the time this made me furious but, looking back, I think I was wrong. I think I should have been grateful that it took so little effort to be typed as a subversive. One complaint about the Royal Family and I was a Bolshevik!

"If I am a Bolshevik," I said to my father one day, "wouldn't I want to have the Royal Family shot?"

"Well, don't you?" he said.

"Not at all," I said, "it would only gain them more sympathy." "You are a heartless rogue," said my father. "Remind me to cut you out of my will."

Ever since my father died, I have missed conversations like this, with each side trying to wind the other up. I wish my father were here now, so I could tell him there would be no Queen's Speech this Christmas and see what he said.

I think I know what he would have said. "Good for the woman. I know what she is up to. She's going to record her message privately and have it sold on video in the shops. At last she has had the sense to make some money out of it."

He may have a point there.

Niall Ferguson offers a solution to the problem of Diana that has historic precedent ...

## Off with her talking head!

If there is one person who should be looking closely at Lord Mackay's new Divorce Bill - and maybe also his Domestic Violence Bill, since it covers mental cruelty - it is the Prince of Wales. For if ever there was someone who needs to get shot of a spouse in the speediest and most painless way possible, it is the heir to the throne.

It really does not matter much what his estranged wife says in her interview on *Panorama*, which will be broadcast tonight. The mere fact that the Princess of Wales chose to organise this public appearance without any consultation with Her Majesty the Queen is, by itself, an argument for divorce.

This is a programme that will be viewed by many millions of viewers, not only in this country but throughout the Commonwealth, in which the Princess apparently gives her opinions on matters as sensitive as her relationship with Prince Charles and the

Some people evidently need reminding: the institution of the monarchy matters

next-in-line to the throne, their son William. This, as she well knows, is serious stuff. To discuss such matters on prime-time TV without consultation with the Queen is more than a breach of protocol. It demonstrates her unfitness to remain formally linked to the Royal Family.

Of course, this is only the latest of many deplorable lapses on Princess Diana's part. To be sure, not all of this publicity has been solicited by her. She was not to blame when transcripts were published of her telephone conversations with James Hewitt. Nor was she responsible for the snapshots of her pumping iron in one of the London gymnasiums, where she spends such a large amount of her time.

Nevertheless, Lord Wakeham has a point when he hints that Diana is far from being simply an innocent victim of paparazzi and telephone-tappers. It was not perhaps wise of him to write an article of the sort which appeared in yesterday's *Mail* on Sunday - apparently in pique that the Princess rejected his advice at a private dinner last month. As chairman of the Press Complaints Commission, it is not his job to review television programmes before they have even been broadcast. But he has said what needed saying.

Some time ago, the Princess of Wales struck what can only be described as a Faustian pact with the British media. She began to manipulate the press in order to further her own ends in what she has come to see as a



The Princess: 400 years ago she might have suffered a sharper exit than divorce Photomontage: Nick Donaldson

Manichean struggle between herself and the royal establishment.

The most glaring example of this was the book by Andrew Morton, *Diana, Her True Story*, supposedly based on the testimony of her "friends". But since then she has engaged ever closer to direct communication with journalists. Photographs of her entering a car with the *Daily Mail's* royal correspondent spoke volumes. With her Ray-Bans and baseball cap, the Princess was revealed as the Royal Family's answer to Deep Throat. Tonight's interview is merely the culmination of a long process of media manipulation.

What the Princess seems not to realise is the true nature of the Faustian bargain. Somewhere along the line she sold her soul and the price of all that publicity is going to have to be paid sooner or later. For the fact is that a royal divorce is now an urgent necessity. There are, of course, many who do not share this view. Some are covert republicans. Others, like Auberon Waugh, see the Princess as a breath of fresh air for the monarchy. His argument seems to be that the sooner the Queen and Prince Philip appear in

Ray-Bans and baseball caps, the better. But most opponents of divorce are more conservative. Because they wish to promote "family values" at a time when the institution of marriage is in decline, they dislike the idea of a royal divorce, arguing that the Royal Family ought to "set an example". They worry about the effect a divorce would have on the royal couple's sons (a card we can expect Diana to play tonight).

But this is sentimental twaddle. The point about the Royal Family is that they are not like everyone else; their example is not applicable to our lives. And the crucial way they are not like everyone else is this: their persons come a definite second to the institution of the monarchy which they, during their lives, personify.

Some people evidently need reminding: the institution of the monarchy matters. It has been one of the peculiarities of this country that while most other European countries have lurched from monarchy to republic to dictatorship at one time or another since 1789, Britain has not - having tried and rejected the alternatives three centuries ago.

You may think the Queen looks silly

in ermine and a tiara. You may think she has more big houses than is good for her. But that is to see only the surface of the monarchy. Its deeper constitutional efficiency lies in the way it has come to embody national (and, indeed, imperial or Commonwealth) unity by rising above party politics. Can those who despise the monarchy maintain they would respect a democratically elected head of state - say Bill Clinton or Boris Yeltsin - more?

Now, it is not easy for a loyal subject to criticise a reigning monarch. But I am sorry, Ma'am: the choice of Diana Spencer as your son's wife was a ghastly blunder. True, you were not to know that she would grow up to be a narcissistic harpie - through her family history should have warned you. But would it not have been wiser to have married Charles to the daughter of one of the more innocuous continental houses? The historic reading strongly suggests that marrying non-royals is hazardous, even (or perhaps especially) when they are connected to reasonably well established aristocratic families. To endure the self-negation that comes with royal status, you have to be born and bred to it.

Perhaps the Queen's mistake was simply this: Diana was not another Wallace Simpson - a divorcee whose relationship with the Queen's uncle led to his abdication - whereas Camilla Parker Bowles might have been, had Charles married her for love. But, alas, Diana is turning out to be every bit as lethal to Charles's hopes of a happy and glorious reign as Mrs Simpson was to Edward VIII's.

But what of the argument that the future King of England cannot divorce his future Queen? This is just plain nonsense. The Church of England was invented in the 1530s by Henry VIII for the express purpose of divorcing a Queen - poor old Catherine of Aragon, who had failed to provide Henry with a male heir. Diana, of course, has succeeded where Catherine failed. But that does not mean Charles should not divorce her if she threatens to bring the Crown into disrepute.

Diana should retire to Grand Cayman, where she can continue to live her film star fantasies

As Lord Blake reminded us last week, there is a good precedent for doing so: when George IV excluded his Queen, Caroline of Brunswick, from his coronation. Like Charles, George was no saint. Like Diana, Caroline was hugely popular. But in the end the monarchy survived the showdown and Caroline died in disreputable obscurity.

Something along those lines seems to be the best possible fate which could befall Diana following a divorce: retirement to Grand Cayman, where she can continue to live out her film star fantasies in the company of married sportsmen and photographers from *Hello!* magazine - but no longer as a member of the Royal Family with official privileges and responsibilities, though it may be prudent to keep her on a small allowance conditional upon good behaviour.

Of course, she will fight every inch of the way, like Caroline. But for the Queen there is now no alternative. And the sooner the divorce proceedings are initiated the better. Has Diana considered what might happen if this were to blow up under a Labour government, with all that party's republican fellow-travellers in power?

Diana should count herself lucky as the royal lawyers present her with their terms: 400 years ago, she might well have faced a rather sharper exit - on the block of a Tudor scaffold.

The writer is a Fellow of Jesus College, Oxford, where he teaches history.

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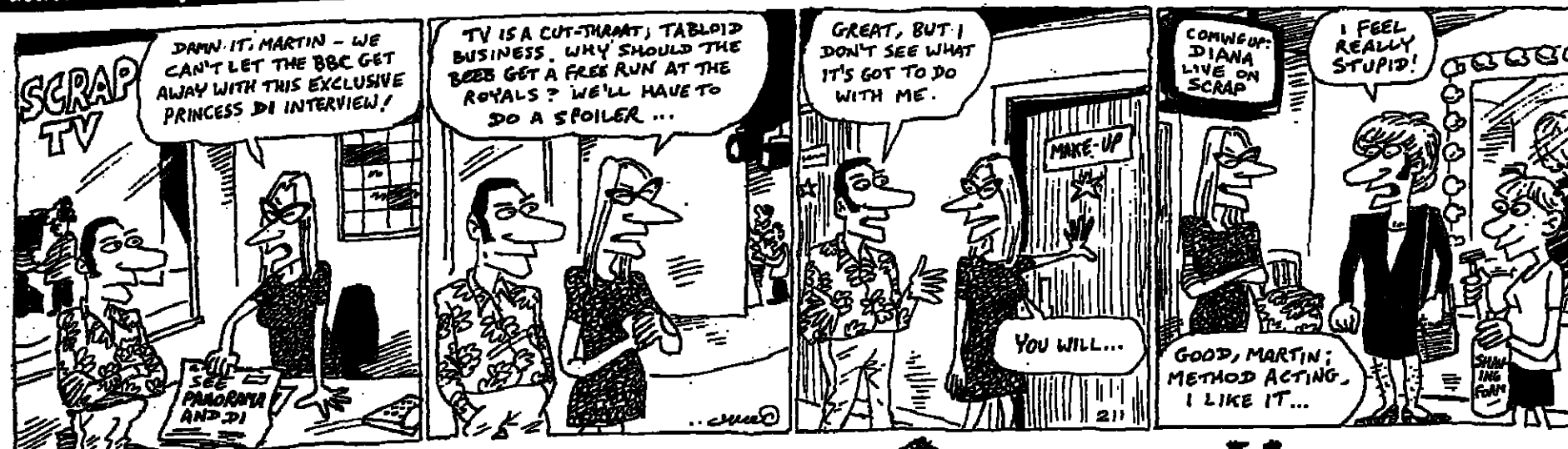
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## obituaries / gazette

## Miron Grindea

Miron Grindea arrived in Britain a few days before the outbreak of the Second World War. With him were the two passions of his life, his pianist wife, Carola, and his magazine, *Adam International Review*. Grindea had studied humanities in Bucharest and Paris. He was a Jewish intellectual, a literary and music critic; he became editor of *Adam* in 1936 or 1937, and made it his own. He had been deeply involved in anti-Fascist activities in Bucharest and remained so throughout the war in London. For a while he worked in Jonathan Griffin's famous BBC European Intelligence section at Bush House.

*Adam* was a classic little magazine, of the "eclectic" rather than "dynamic" sort, to employ its admirer Cyril Connolly's terminology. It was both typical of little magazines and, like the others, unique in that it was a projection of its editor's personality: his obsessions, his prejudices, his quirks, his passions, his brainwaves, his *michegas*, his concerns, his insatiable curiosity. Grindea was an extreme case only because his creativity was entirely consumed by the job of editor. He was an autocratic and wayward editor of brilliance, a holy fool, and in the words of Storm Jameson "a mendicant friar, a monster sacre". Given that Grindea was one of the last of that splendid breed of pre-mass-media men of letters, refugees from Europe schooled in high culture and Central European humanism, the personality projected was both educated and complex, and the self indulged was objectively, and cheerfully, contemptible.

Though temperamentally unfitted to be a conventional academic, Grindea was a very learned man, in the style of some antiquarian bookellers and scholarly librarians and – in this respect if no other – may

have reflected his subscribers. He ranged not only widely but more deeply – Proust, Gide, Mansfield etc. – than many scholars could bear to admit. In some circles, *Adam* was revered, in others ignored. The reason for these reactions must be rooted in the insularity, both literal and metaphorical, of the host country he loved and adored. This insularity, with its associated superiority complex, breeds suspicion of cosmopolitan culture, especially when that culture covers, as it must, all the arts.

Grindea's earlier editorials dealt with his general preoccupations about society and literature. The later ones were a mixture of the *roman fleuve* and the *feuilleton*. Like a Post-Modern novelist – and *Adam* was a kind of novel with Grindea as author and main character: similar in that to editors such as Charles Péguy and Karl Kraus – Grindea lets the reader into his workshop. Typically he mingles the highly idiosyncratic presentation of an issue's genuinely fascinating and scholarly discoveries with spicy gossip high or low, useful information on other subjects, grouches (he was a famous grouse, albeit virtually teetotal, and ate like a bird too), and plaintive requests for support to enable the magazine's survival.

To hand is the Dylan Thomas memorial Number of 1953, with unpublished work by Dylan Thomas himself, and contributions from Stravinsky, Augustus John (a careful reading of this text explains why Grindea appended to it the wickedly ironic title of "The Monogamous Bohemian"), MacDiarmid and others. We learn from the editorial that Eliot, contrary to rumour, not only knew Thomas's work but admired Thomas and initiated contact with regard to possible publication of his poems in 1934 – but the young poet went elsewhere.

Miron Grindea was a born and skilled journalist and could undoubtedly have lived quite comfortably with his pen had he not had *Adam* – equal to him in intelligence, as Connolly said, in intellect and their editors – to finance for over 50 years. There is no doubt that without the devoted support, moral, financial and professional, of his equally legendary spouse Carola, the magazine would have died more terminally than it usually did. He never gave up. How could he? He too would have died. Fortunately, various institutions and individuals rode to the rescue over the years.

Grindea was not an easy man to work with. He could be infantile, selfish, uncaring of other people's equally pressing priorities. Little magazine and small-press editors are *me-huggers*; crazies. They have the vices of their virtues. Hopeless at delegating, they are simultaneously obsessive and disorganised. Grindea, in the South Kensington apartment more redolent of Paris or Vienna than London, used to exploit his young assistants, some of whom later became poets, novelists, therapists, musicians, publishers, dons or layabouts. If they did not leave in confusion or despair they received an editorial and human education from the roughish insurgent which it would have taken a Joseph Roth or Shole Aleichem to convey, but which (unofficially) consisted of serving as proof-reader, muse-supplier, message-runner, awkward, phonedialler, editor, devil's advocate, analyst and analyst. In a word: Sancho Panza.

Grindea was a brilliant wheeler of texts, often but not always their best work, from famous writers or their heirs, among them: Wells, Shaw, Chekhov, Wilson, Greene, Eliot, Cocteau, Gide, Joyce, Churchill, Auden, Forster,

Priestley, Murdoch, Durrell, Spender, Powell. His recipe was a secret mixture of chutzpah, flattery, intelligence, passion, straightforwardness and charm. He encouraged new and/or young writers, Veronica Forrest-Thomson, Fred Uhlman, P.F. Spalding, for example, and some future talents made their debuts in *Adam*: Maureen Duffy, Wolf Mankowitz. But the past concerned him more.

He published important accounts by servants of their masters such as Tolstoy and Proust, made available important discoveries in musicology, and brought out plays by Kops, Josipovic and many others. There were special issues on national literatures – Sweden, Iceland, India, Sri Lanka, Catalonia, Ecuador, Israel (Hebrew and Arabic); on key authors and composers in his canon – Gide, Greene, Cary, Proust (seven), Mansfield, Agnon, Stravinsky, Chopin, Mozart, Neruda, Simeon. There were thematic issues: the moon, Jerusalem. All these special issues contained editorials synthesising critical and serious bio-bibliographical approaches to the subjects.

Perhaps Grindea's vital editorial organs were most fully engaged in two activities: in the first place, drawing the attention of his subscribers and the literary establishments of France and England – the magazine was bilingual – to the work of living authors, in his opinion neglected, such as Visiaki, Ramuz, Cary, Flagg, Gatsky and the greatest literary lebanian of her day, the legendary but un-read Natalie Clifford Barney, whom he took to meet in Rue Jacob. In the second place, tracking down unpublished letters and texts, by Mansfield, Wells, Gorky, Berlioz, Chekhov, Dickens, and Dreyfus (the case obsessed him). On the one hand he swanned

around the world and had a good time. On the other hand, sometimes the same hand, he worked maniacally hard. His frustrations and triumphs are always recorded in the editorials. Some of his authors drove him crazy and some of them – an overlapping but not identical category – in turn considered him the most exasperating editor of all time. Some of the twice shy were undoubtedly difficult characters but it would falsify the record to censor the fact that his behaviour could be fairly awful.

In actual fact Grindea, with his polymorphous perversity and manifold humanity, his humour and solicitude, his passionate concern for the survival of humanistic values and of literary culture, was a shining knight in a naughty world – and, indeed, Picasso depicted him in a cartoon as Don Quixote. He was deeply British, but un-English in his involvement in music and painting as well as literature; deeply Jewish and involved with Israel, but not chauvinistic and certainly not an admirer of sectarian zeal; deeply Romanian, but not rabid in his nostalgic attachment to his troubled native land (recently Romanian television took him back to his *shetl*, the small town where he was born, and from which, he told me several times, he had come a long way); deeply French in professional formation/deformation but no dumb worshipper at the altar of this or that *ism* or *asm*.

In his last years, despite a long illness, he continued working in his own way on the magazine and at last learnt to listen properly and engage in real dialogue. Perhaps he was inspired to this by his grandchildren and their parents, of whose musical and medical skills he was properly proud. A full assessment of the magazine – more than 50 years and 500 issues by Grindea's own crafty reckoning – must



An autocratic editor of brilliance: Grindea ran *Adam* for nearly 60 years. Photograph: Caroline Forbes

await its historian, but it is surely no exaggeration to say that the whole of *Adam* will be consulted for years to come as an informed guide to many of the byways and some of the high-ways of European culture, and that the best of *Adam* would make a splendid anthology. As with all the other great eclectic magazines, the worst will be quietly forgotten.

The magazine's extraordinary editorial archive was sold to King's College London several years ago, and a sensible

agreement was reached that King's, which established an *Adam* Lecture in Grindea's lifetime (this year's lecture is to be given by the poet R.S. Thomas) – would continue to publish *Adam* after his death, perhaps as an annual. Quite understandably, Grindea remained edgy about the deal and sometimes seemed to disbelieve it had taken place. And indeed, how do you replace the man of whom it was said "Nobody knew him from *Adam*?" It is pointless to regret that he did

not write books. One gives thanks that a passion such as his found an outlet beyond reading books. He was the apotheosis of the tertium quid: an original editor who did what was right in his own eyes. He could do no other.

Anthony Radcliffe

**Miron Grindea** (Miron Grindea), editor: born Turgu Ocna, Moldavia 31 January 1909; married 1936 Carola Rabinovici (one daughter); died London 18 November 1995.

## Jack Finney

Half-way through Jack Finney's 1973 novel *Marion's Wall* the hero Nick Cheyne is watching the original silent movie version of *The Four Horsemen of the Apocalypse*, the scene in the café where Valentino dances the tango with a smouldering Helena Dominguez. All at once Cheyne becomes Valentino, at one and the same time seeing "himself" dance so brilliantly up on the screen while seeing, too, the eye of the camera following his splendid, urgent movements. And then – at what must have been a moment of pure triumph for Valentino (the scene was shot in one superb take) – Cheyne, as himself and as Valentino, is overwhelmed by a "hopeless yearning for what might have been". For Cheyne is inadvertently transferring his knowledge 50 years on to Valentino who is suddenly, horribly, aware that he will soon die, his life, talent, career, his immense dramatic promise, all unfulfilled, decades of world-wide fame lost and gone.

It is a classic Jack Finney moment. A rich mix of yearning, nostalgia, sentiment, magic – and irony sharp as a serpent's tooth. For although Finney was himself a man who longed for what he saw as the uncorrupted graciousness of the past – of "days that are no more" – in his novels he was not above mockery. In *Marion's Wall* lightly lampooning that massive ego, the vast oceans of self-pity to be found in the acting profession.

Finney was born in Milwaukee, Wisconsin, in 1911, and educated at Knox College, Galesburg, Illinois. His first creative writing sale, a story called "The Widow's Walk", was made in 1946, at the relatively antique (for a fiction writer) age of 35. This was because after college Finney worked as an advertising copywriter in New York, where, in 1947 with "The Widow's Walk" he won a Special

Award in a story contest promoted by *Ellery Queen's Mystery Magazine* (in an editorial, Queen praised Finney for his elliptical approach – "The Widow's Walk" was essentially a murder story without a murder). Thereafter, he was a professional wordsmith until the day he died: his most recent novel, *From Time To Time*, was published earlier this year.

Yet he was not prolific. With Finney it was truly a case of quality over quantity. In 41 years, from 1954 through to 1995, he produced only 10 novels – but the novels include some of the biggest-selling and most popular entertainments of the past half-century: the "caper" thrillers *Five Against the House* (1954); the looting of a Las Vegas casino; and *Assault on a Queen* (1959); the raising of a First World War U-boat in order to rob the *Queen Mary*; *Time and Again* (1970): a wonderfully evocative time-travel tale; and his celebrated *The Body Snatchers* (1955).

Finney was a publisher's and film producer's dream writer. He came up with simple, uncomplicated, yet gripping narratives that people wanted to read, and which translated swiftly, without complex and expensive story-reconstruction, into cinematic terms. His novels he was not above mockery. In *Marion's Wall* lightly lampooning that massive ego, the vast oceans of self-pity to be found in the acting profession. Finney was born in Milwaukee, Wisconsin, in 1911, and educated at Knox College, Galesburg, Illinois. His first creative writing sale, a story called "The Widow's Walk", was made in 1946, at the relatively antique (for a fiction writer) age of 35. This was because after college Finney worked as an advertising copywriter in New York, where, in 1947 with "The Widow's Walk" he won a Special



Kevin McCarthy in *The Invasion of the Body Snatchers* (1956), based on a novel by Finney. Photograph: Ronald Grant

Galesburg, Illinois, groceries bill for a year).

His most famous story was *The Body Snatchers*. When it was serialised, *Collier's* readers wolfed it down, the paperback original was a roaring success (the British hardback, issued the same year, is now something of a modern first-edition rarity). Don Siegel turned it into a movie, *The Invasion of the Body Snatchers* (1955), still lauded today, and twice re-made since. And although the plot-seed-pods from outer space replicate human beings – is on the face of it absurd, what it touches is the terror of masks, of people not being who they claim to be (Finney always denied any covert condemnation of 1950s political paranoia, whether anti-Communist or anti-McCarthyite: "I wrote the story purely as a good read").

Like the short story writer Nelson Bond and the novelist Richard Condon, Finney brought genre fiction into the mainstream. His fantasy yarns and science fiction stories, in particular, were cleverly aimed at readers who hated fantasy and science fiction. His other

work, too, rarely failed to inspire enthusiasm in perhaps improbable critics such as V.S. Pritchett who thought *Five Against the House* "ingenious, alarming, uncommonly good".

Nor did Finney balk at "difficult" subjects if he thought he had a story. His comedy *Good Neighbour Sam* (1963) is as near as dammit to a comedy about wife-swapping. (Jack Lemmon starred in the movie.) Much of the action in *The Woodrow Wilson Dime* (1968) takes place in a parallel world in which the hero has a second, and even more glamorous, wife. In *Marion's Wall* the sensual, demanding ghost of a long-dead silent-movie actress takes control of the hero's wife (causing a certain amount of confusion beyond the bedroom door).

Jack Finney's strong sense of the past, his feel for the hundred or so years that preceded the destruction of Hiroshima and Nagasaki, informed just about all he wrote. Mildly mock his own obsessions as he might on occasion, he was never happier than when setting a story or a novel in another time, or a different, and better, reality (his latest time-tale was collected in *About Time*). His masterpiece was *Time and Again*, a superbly nostalgic and skilfully plotted trip back to the Manhattan of the 1880s which, more than any other of his books, demonstrated his infallible instinct for touching the right public nerve at precisely the right time: the book, lavishly illustrated with old photos, was read and raved over by virtually all New York when it came out in 1970. Like most of Finney's enthralling tales, it has rarely been out of print since.

Jack Adrian

**Walter Braden (Jack) Finney**, writer: born Milwaukee, Wisconsin 1911; married (one son, one daughter); died Greenbrae, California 14 November 1995.

Alan Hull, the Georgie poet, songwriter and musician who led the band Lindisfarne to fame in the early Seventies, was essentially a humanist, whose wryly observant lyrics came from heartfelt concern for the underprivileged and the misunderstood.

Hull's upbringing in the North-east and his work as a nurse among mental patients helped instil in him a sense of realism that eluded his more glamorous contemporaries. Hull was a champion of the people rather than a champion of rock-star values, and this was reflected in his work as a performer, writer and political activist.

Hull was born in 1945 in Newcastle upon Tyne. His musical career began with a local band, the Chosen Few. He left them to work for a while as a nurse at St Nicholas Hospital where he met his wife, Pat. At the same time Hull established himself as a folk singer and in 1967 formed the Downtown Faction. A year on they became Lindisfarne, taking the name from Holy Island nearby. The line-up included Hull on vocals, guitar and piano, with Simon Cowie (guitar), Ray Jackson (harmonica, mandolin), Rod Clements (bass and violin) and Ray Laidlaw (drums). The band were signed to Charisma Records, whose boss, Tony Stratton-Smith, appreciated Hull's poetic lyrics and the band's uniquely British flavour.

Their debut album, *Nicely Out of Tune* (1970) included one of Hull's most celebrated compositions, "Lady Eleanor". This was followed by the classic *Fog on the Tyne* (1971), a No 1 hit. The folksy time-track celebrating Newcastle life became a favourite with festival audiences. Glen Colson, the former tour manager for Lindisfarne and assistant to Stratton-Smith understood the background to Hull's work and the band's approach.

Alan wrote most of his biggest songs all in one week while working at the hospital. Apparently they used to give LSD to the alcoholics there and he'd taken an acid trip himself. It was during that period that he wrote four or five great songs, including "Clear White Light", "We Can Swing Together", "Fog on the Tyne" and "Lady Eleanor".

On night shifts, Hull managed to fit in a lot of reading and he enjoyed the novels of Edgar Allan Poe as well as the works of Jung and Freud. Colson says: "Poe was one of his heroes and 'Lady Eleanor' was written after a character from one of his stories."

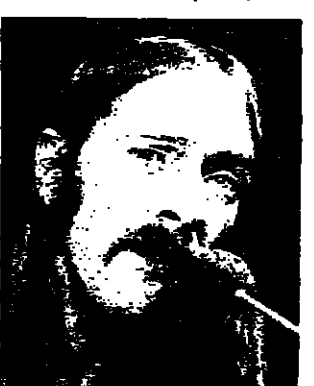
Lindisfarne's good-time songs reached out to a hugely receptive audience at the great Seventies festivals. "Every time they played a festival they stole the show," Colson recalls. Their big anthem was "We Can Swing Together", which was all about a drug bust. It was an anti-police song and audiences loved it. Only a couple of years ago they were still going down a storm everywhere they played because everyone knew their songs. They were the biggest-selling group in 1972. It was them and Slade.

The band did five albums for Charisma including *Dingy Dell* (1972), *Lindisfarne Live* (1973) and *Roll On Ruby* (1974). They made another 15 albums over a 20-year period, one of the most recent being *Whis Lanes On The Moon*. Hull wrote most of their main songs except "Meet Me On the Corner". "Everyone thinks Alan wrote it," Colson said, "but it was actually Rod Clements, and it was their biggest hit." It made the Top Five in 1972. But after their initial success the band's career began to slump and the album *Dingy Dell* was not so well received. They went to America in 1972 and toured for a year, struggling to make a living on a wage of a dollar a day. "That's what Stratton-Smith paid us," recalls Colson. "We were out there for six months while their album was No 1 in the UK. We thought we could break America but it didn't really work out."

Most Americans were stoned on pot in those days and Lindisfarne were a drinking band so people didn't really understand them. Alan wasn't shy of the odd drink, but he always had a bacon sandwich in the morning to restore his electrolyte balance. He said he had to get the salts back into this body that the beer had taken out.

The band were reduced to playing half-hour versions of "The Yellow Rose of Texas" to keep audiences happy who knew nothing about fog and cared less about the Tyne. Lindisfarne plugged on, supporting the Kinks at Carnegie Hall and such acts as Taj Mahal and Tim Buckley. At the tour's end, it transpired that Lindisfarne owed money. It was the last serious attempt to sell Hull's music to America.

At the end of the tour Laidlaw, Cowie and Clements left to form the new band Jack the Lad. Their replacements released the album *Happy Daze* but split in 1975. In the meantime Hull pursued a solo career, releasing his debut album, *Pipe Dream*, in 1973, with help from ex-Lindisfarne members. Many of the songs were concerned with his experience working in the mental hospital. He also wrote *The Mocking Horse*, a book of poetry on the subject, which became a best-seller. His later releases include *Squire* (1975), *Phantoms* (1979) and



Hull: "people's poet". Photograph: Dean Hoffman / Rex

*On the Other Side* (1983). He formed a short-lived group called Radiator with the drummer Ray Laidlaw which released *Isn't It Strange* in 1977.

Lindisfarne re-formed for a Top Ten single, "Run For Home", in 1978. In 1990 the band recorded a version of "Fog on the Tyne" with the Georgie football star Paul Gascoigne which got to No 2. Lindisfarne, with Hull at the helm, remained a huge attraction in the North-east and only four months ago celebrated their 25th anniversary with a concert at Newcastle City Hall.

A keen supporter of the Labour Party, Hull was secretary of his constituency party. He took part in many events to support the 1984 miners' strike and also organised a concert to save Swan Hunter shipyard. In 1986 he wrote a show called *Heads Held High* to be performed on the route of the 50th anniversary Jarrow to London hunger march.

Most recently Hull had planned a return trip to America, and a new solo album, and he had been looking for a deal with EMI Records.

"Alan was a people's poet who had the common touch," the rock critic Rex Hollingsworth says.

He had the ability to turn bitterness into sweetness with a sense of humour attached. He wrote in the *Bardic* tradition and he could see a future that he didn't particularly like. He certainly didn't like London. He felt they weren't taken seriously enough there. Lindisfarne were categorised as simple folk group but they wrote beautifully crafted songs and were even hailed as The New Beatles after "Clear White Light" came out. He wasn't happy with the music business, but whatever he thought, he was extremely successful within it.

Chris Welch

**Alan Hull**, composer, musician, poet: born Newcastle upon Tyne 1945; married (three daughters); died Newcastle upon Tyne 17 November 1995.

## Births, Marriages &amp; Deaths

## DEATHS

**GELLNER**, Ernest André, on 5 November, in Prague. Funeral at Chichester Crematorium, Westhampton Road, on 25 November at 2pm. Donations to Amnesty International, UK, 99-119 Rosebery Ave, London EC1R 4RE, or flowers to Funeral Services Petersfield Ltd, 19 The Square, Petersfield, Hampshire. Enquiries to 01750 262711 or 01227 274348.

## IN MEMORIAM

**HAWGOOD**, John Arkas, historian, remembered with love and respect on his 90th birthday and every day. **SPENCE**, Godfrey, died 20 November 1990. Always lovingly remembered and greatly missed by all. He filled our lives with happiness, warmth and kindness and we cherish our beautiful memories of him. All the family.

For Gazette BIRTHS, MARRIAGES & DEATHS, please telephone 0171-293 2011 or fax 0171-293 2010.

## Birthdays

Mr Michael Alexander, explorer and writer, 75; Mr Denis Allport, former Chairman, Metal Box Ltd, 73; Lord Archer of Sandwell QC, former MP, 69; The Hon Hugh Astor, former deputy chairman of the Times, 75; Mr Peter Badge, Chief Metropolitan Magistrate, 64; Mr Alistair Cooke, journalist and broadcaster, 87; Brigadier Bernard Cowey, former rugby international, 84; Miss Alexandra Danilova, choreographer and actress, 89; Sir Alan Goodson, former diplomat, 69; Miss Nadine Goddard, novelist and Nobel prize winner, 72; Miss Dulcie Gray, actress and author, 75; Mr Aubrey Jones, former government minister, 84; Mr Piers Khabra MP, 71; Mr Johnny Leach, former table-tennis champion, 73; Mr James McPherson, solicitor, and Lord-Lieutenant of the Grampian Region, 68; Sir Richard Morris, former chairman, Brown and Root, 70; Sir David Price, former MP, 71; Mr Arthur Rees, former chief constable, Denbighshire and Staffordshire, rugby international, and chairman, St John's Ambulance, Staffordshire, 83; Mr Wilfred Woolter, former cricketer and rugby international, 83.

## Anniversaries

Births: Paulus Potter, animal painter, 1025; Thomas Chatterton, poet, 1752; Sir Samuel Cunard, shipowner, 1787; William Chappell, music publisher, 1809; Edwin Powell Hubble, astronomer, 1889; Gene Tierney, actress, 1920; Robert Kennedy, politician, 1925; Deaths: Sir Christopher Hatton, Lord Chancellor, 1591; Queen Caroline of Ansbach, consort of George II, 1737; Anton Grigoryevich Rubinstein, pianist and composer, 1894; Lev Nikolayevich Count Tolstoy, novelist, 1910; John Ruskin, art critic, 1902; East Jelliffe, admiral of the fleet, 1935. On this day: Charles Stewart Rolls and Frederick Henry Royce combined to form the firm of Rolls Royce, 1906; after five years of blackout, lights were switched on in London, in Piccadilly, the Strand and Fleet Street, 1944; the War Crimes trial at Nuremberg began, 1945; Princess Elizabeth married the Duke of Edinburgh, 1947; Snowdonia was declared a National Park, 1951. Today is the Feast Day of St Bernard, St Daisius, St Edmund the Martyr, St Felix of Valois, St Maxentia of Beauvais and St Nerses of Shabger.

## Lectures

Reading University: Professor Alan Sinfield, "Oscar Wilde and the Queer Body", 2pm. Victoria and Albert Museum: Catherine Wilson, "Majolica", 2.30pm.

## ROYAL ENGAGEMENTS

The Queen, accompanied by The Duke of Edinburgh, attends the Royal Variety Performance at the Dominion Theatre, London W1. The Duke of Edinburgh attends an exhibition to mark the centenary of the Victoria and Albert Museum, London SW1. The Princess of Wales attends a Gala evening at Battersea House, London SW1, in aid of the European Organisation for Research and Treatment of Cancer (EORTC). The Princess Royal, Princess Rosemary, visits the Royal Naval School of Maritime Studies, Portsmouth. The Duke of Kent, Viscountess Elizabeth, visits the Royal Naval School of Maritime Studies, Portsmouth. The Duke of Kent, Viscountess Elizabeth, visits the Royal Naval School of Maritime Studies, Portsmouth. The Duke of Kent, Viscountess Elizabeth, visits the Royal Naval School of Maritime Studies, Portsmouth.

The following notes of judgments were prepared by the reporters of the All England Law Reports.

## Asylum

*M v Secretary of State for the Home Department*, CA (Butler-Sloss, Millett, Ward LJ); 24 Oct 1995. A person who put forward a fraudulent and baseless claim for asylum might be guilty of an attempt to pervert the course of justice and, in theory at least, at risk not only of having his claim dismissed but of finding himself the subject of criminal proceedings; but he was not thereby deprived of the protection of the 1951 Convention and 1967 Protocol relating to the Status of Refugees. However, the fact that he had put forward a fraudulent and baseless claim would deprive him of much of his credibility in establishing thereafter that he had a well-founded fear of

persecution for one of the reasons set out in the Convention. *Andrew Nicol QC, John Walsh (Haward & Foster, Robin Whalich) for the applicant; Robin Tam (Treasury Solicitor) for the Home Secretary.*

## Contract

*Taylor v Bails*, CA (Sir Stephen Brown & Russell, Millett LJ); 1 Nov 1995. The parties to a contract to repair a gale-damaged wall agreed to an inflated estimate in order to recover an extra sum of money from the insurance company on whom a claim was to be made. When a dispute arose over payment, the court held that the plaintiff could not rely on the contract because it was vitiated by illegality, and it was unrealistic to

regard the agreement as a building contract with a separate agreement to defraud. It was clearly a single indivisible arrangement tainted by fraud which the law would refuse to enforce. The clear message to commercial men was that parties conspiring to defraud insurance companies could not expect the courts to uphold their contracts. *The defendant in person; Paul Harris (Keith Hall Waller) for the plaintiff; Timothy Brennan (Treasury Solicitor) as amicus curiae.*

*Fraudulent trading* *R v Smith (Wallace); CA (Crim Div) (Rose LJ, Jowitt, Moore-Bick LJ); 3 Nov 1995. An offence under s 458 of the Companies Act 1986 (fraudu-*

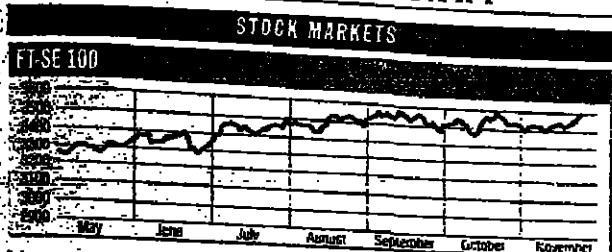
lent trading) was a continuing one and if trading was carried on fraudulently, future as well as present creditors might be prejudiced. The word "creditor" in s 458, in its ordinary meaning, denoted one to whom money was owed; whether that debt could at present be sued for was immaterial. English courts had jurisdiction to try an offence contrary to s 15 of the Theft Act 1968 (dishonestly obtaining property by deception) where the deception practised by the defendant in respect of funds transferred from one bank abroad to another bank abroad where the transaction was operated by the defendant in and from England. *William Clegg QC, Simon Stafford-Michael (Registrar of Criminal Appeals) for the appellants; Timothy Barnes QC, Stuart Lawson-Rogers QC, Susan Reed (SFO) for the Crown.*

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CITY & BUSINESS EDITOR: JEREMY WARNER

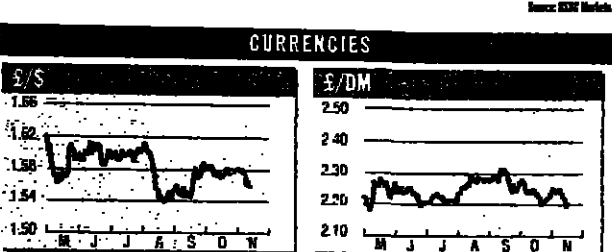
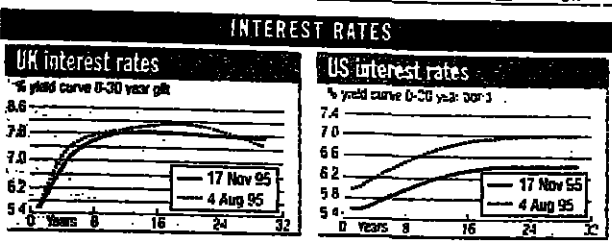
MARKET SUMMARY



Index	Close	Week's chg	Change (%)	12 Mth High	12 Mth Low	Yield (%)
FTSE 100	3809.2	+85.8	+2.3	3910.8	2943.4	4.0
FTSE 250	3964.5	+62.2	+1.6	3991.3	3300.9	3.5
FTSE 350	1789.9	+39.4	+2.2	1794.2	1477.0	3.9
FT All-Share	1789.9	+39.4	+2.2	1794.2	1477.0	3.9
New York	4860.0	+118.6	+2.4	4961.8	3674.6	2.4
Tokyo	18151.2	+307.6	+1.7	19253.0	14485.4	0.8*
Hong Kong	9267.9	-124.0	-1.3	10032.9	6927.9	4.1**
Frankfurt	2201.3	+29.1	+1.3	2317.0	1911.0	2.0**
Paris	1890.5	+50.7	+2.8	2017.3	1721.1	3.1**
Milan	8159.0	+54.0	+0.6	10911.0	5912.0	1.8**

MAIN PRICE CHANGES

Index	Close	Week's chg	Change (%)	12 Mth High	12 Mth Low	Yield (%)
FTSE 350 companies	1789.9	+39.4	+2.2	1794.2	1477.0	3.9
FTSE 100	3809.2	+85.8	+2.3	3910.8	2943.4	4.0
FTSE 250	3964.5	+62.2	+1.6	3991.3	3300.9	3.5
FTSE 350	1789.9	+39.4	+2.2	1794.2	1477.0	3.9
FT All-Share	1789.9	+39.4	+2.2	1794.2	1477.0	3.9
New York	4860.0	+118.6	+2.4	4961.8	3674.6	2.4
Tokyo	18151.2	+307.6	+1.7	19253.0	14485.4	0.8*
Hong Kong	9267.9	-124.0	-1.3	10032.9	6927.9	4.1**
Frankfurt	2201.3	+29.1	+1.3	2317.0	1911.0	2.0**
Paris	1890.5	+50.7	+2.8	2017.3	1721.1	3.1**
Milan	8159.0	+54.0	+0.6	10911.0	5912.0	1.8**



Index	Close	Week's chg	Change (%)	12 Mth High	12 Mth Low	Yield (%)
FTSE 350 companies	1789.9	+39.4	+2.2	1794.2	1477.0	3.9
FTSE 100	3809.2	+85.8	+2.3	3910.8	2943.4	4.0
FTSE 250	3964.5	+62.2	+1.6	3991.3	3300.9	3.5
FTSE 350	1789.9	+39.4	+2.2	1794.2	1477.0	3.9
FT All-Share	1789.9	+39.4	+2.2	1794.2	1477.0	3.9
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IN BRIEF

Grid generating arm demerged

The electricity generating business of the National Grid Company has been demerged into the ownership of PSB Holdings, which will become majority owned by the 12 regional electricity companies. PSB Holdings has received 11 indicative offers for the operation and has selected US-based Dominion Energy, Mission Energy Corporation of California and Scottish Hydro-Electric to proceed to the final bidding stage. The demerger had been expected in advance of the £3.5bn flotation of the grid, which is scheduled for 11 December. The generating business, which will be known as First Hydro, operates two power plants in Wales based on "pump storage" technology, which produce power at times of peak demand. There has been speculation that the business could be sold for about £300m.

Leeson poised for Singapore return

Nick Leeson's eight-month battle against extradition finally ends this week when he will fly back to Singapore to face trial. Mr Leeson agreed last month to return voluntarily to Singapore after a long battle to avoid extradition. He fled from there in late February just days before Barings was crushed under nearly £900m of losses from illegal derivatives speculation. He will stand trial on 12 charges, including falsifying accounts and deception. These carry a potential jail sentence of 14 years, but there have been growing indications in recent weeks that the likely outcome may be less severe. Mr Leeson's Singapore lawyer, John Koh, has had several meetings with fraud investigators, fuelling speculation that there will be a deal being worked out that would reduce the number of charges.

Pet City publishes Aim prospectus

Pet City, the chain of out-of-town pet superstores that is seeking a listing on the Alternative Investment Market, has released its pathfinder prospectus showing it made a significant loss last year. The group recorded a £1.2m operating loss in the 69 weeks to July on sales of £45m. The stores lost £789,000 in the previous year and almost £900,000 in 1993. However, the company has released illustrative projections for the next four years projecting a modest loss for 1996 followed by pre-tax profits of £1.3m in 1997. Profits are expected to reach £4.3m and £8.9m in the two years after that. The group says previous losses have been due to the fast expansion programme which has seen the group open 35 stores since its inception in 1989. It plans to open between 20 and 40 stores a year over the next four years and reach a total of 300 by 2003.

Retailers set sights on Poland

Poland is set to become the next target for Western European retailers, though UK stores groups are currently lagging behind their Continental rivals. Czechoslovakia has already proved popular for expansion and Hungary, Bulgaria and Romania are also considered promising areas for potential expansion. According to a new report by Corporate Intelligence, Poland's increasing economic and political stability is making it the focus of attention for a number of European stores groups, particularly in France and Germany.

Last week Tesco paid £8m for a 79 per cent stake in Savia, the Polish food retailing group. Savia has 36 stores in the south-east part of the country. BP is opening a chain of petrol stations in Poland, which will have convenience stores attached. K. Shoes, part of Clark's Shoes, has two stores in Warsaw and remains committed to the country despite relatively slow growth. Booker cash and carry group has a stake in the Polish supermarket group, Eurotrade.

Firms seek ACT solution

The UK's largest companies are demanding measures to solve the problem of surplus Advance Corporation Tax (ACT). According to a survey of 131 of the top 1,000 companies by Coopers & Lybrand, businesses are subsidising the government with long-term, interest-free loans totalling up to £4bn.

# Climax in C&W power struggle

MARY FAGAN  
Industrial Correspondent

The power struggle at Cable & Wireless will reach a climax today as the group's directors meet to decide whether to support the chief executive, James Ross, or to replace him with Lord Young of Graffham, the chairman, who is expected to go unless Lord Young of Graffham, the chairman, is ousted or reduced to a less influential, non-executive role.

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## Eggar demands action by Recs over competition

MARY FAGAN  
Industrial Correspondent

A row has erupted between the Government and the electricity industry over the planned introduction of competition in the domestic market in 1998. Tim Eggar, Minister for Industry and Energy, has written to the 12 regional firms accusing them of failing to prepare the ground for the change, and warning that he will not delay the starting date.



Warning letter: Tim Eggar, the Energy Minister, who has been angered by what he sees as inaction over competition in the electricity industry

Industry sources say that in a letter from the Department of Trade and Industry sent to the 12 regional chairmen within the last few weeks, Mr Eggar demanded urgent action on competition, led by the companies' top management. A Whitehall source said that the minister has been angered by suggestions from some firms that competition should be shelved.

The source said: "He is not prepared to be presented with a claim that it is all too difficult and needs to be deferred to a later date. The companies keep coming up with problems, but no solutions".

He added that Mr Eggar was outraged by the view among some in the industry that introducing competition - which was envisaged when the companies were privatised - remains a matter for the Government.

Mr Eggar is also known to be frustrated at resistance in the industry to pilot projects in advance of full competition, along the lines of those planned in gas supply from April next year. He is in favour of two or three substantial pilots but, although the idea has also been floated by the industry watchdog, Professor Stephen Littlechild, no plans have been put in place.

## £3bn tax cuts 'could cause spending overshoot'

PAUL WALLACE  
Economics Editor

The National Institute of Economic and Social Research is warning against tax cuts even of £3bn, which most political pundits believe is the least the Government can offer in order to win the next general election.

The institute says that cuts at this level would lead to the Government overshooting its key measure of spending by 3 per cent this year. The spending control total, which excludes cyclical social security spending and debt-interest payments,

will rise by 2.1 per cent in real terms this year, it says. At the time of the last Budget, a fall of 0.9 per cent was forecast.

The institute says tax cuts might be justified if financed by spending cuts but is sceptical that sufficient reductions can be achieved. It argues that the question the Chancellor should address in the Budget is Britain's savings shortfall. A cut in government borrowing would lead not only to an increase in domestic saving but also to a rise in domestic investment.

## Bifu leader attacks softly-softly Blair

BARRIE CLEMENT  
Labour Editor

Tony Blair's softly-softly approach towards the financial establishment came under fire yesterday from the newly elected leader of Britain's biggest banking union.

In a decisive break with the intensely loyalist approach of his predecessor - and the present acquiescence of other union leaders - Ed Sweeney expressed his "incredulity and frustration" over Mr Blair's failure to intervene in the proposed merger of Lloyds and the TSB. Mr Sweeney, who takes

over as general secretary of the 130,000-strong Banking Insurance and Finance Union in March, called on the Labour leadership to follow the lead of the Liberal Democrats and the Scottish Nationalists, and to back a reference to the Monopolies and Mergers Commission.

Mr Blair had told the union that he will only pronounce on the merger after completing consultations with management. Mr Sweeney pointed out that it had been several weeks since the proposed deal was announced and 10,000 jobs were under threat.

## Fight over role of Cadbury 2

PETER RODGERS and  
NIC CICUTTI

The Stock Exchange and CBI have mounted a campaign to keep as narrow as possible the terms of reference of the successor to the Cadbury committee on corporate governance.

The two organisations are both reluctant to see a reopening of major issues affecting the boardroom, following a series of high-profile inquiries culminating in the Greenbury Committee on top pay.

The chairman of the second-stage Cadbury committee, Sir Ronald Hampel, is to be confirmed shortly, following completion of members with a nominee to represent the CBI.

Foot-dragging by the employers' organisation had been blamed for a long delay in setting up the committee, but it now appears that the committee's remit has been an equally contentious issue.

Adair Turner, the CBI director general, complained recently about "corporate governance fatigue" in the boardroom and called on the new committee to look at ways of easing the burden of compliance for smaller companies.

The Stock Exchange, which is participating in the new committee as an observer, said companies had been dealing with a wide range of corporate governance issues recently and it was important to ensure they were not overburdened. There has been a mounting rearguard action against some of the recent changes in corporate governance, especially those put forward by Greenbury, which are to be implemented mainly

by changes in the Stock Exchange rule book.

The start date for some measures has been put back and others, including the composition and duties of remuneration committees and the way pension values are calculated, have been delayed for further consultation. The pensions proposals, which will show huge pension boosts whenever directors receive large salary increases, have caused dismay because of the likely public uproar.

Separately, the National Association of Pension Funds has added a twist to the corporate governance debate, urging its members to play a greater role in the companies they invest in. The move by the NAPF, which represents almost 1,500 pension scheme managers and other experts, comes amid accusations that pension funds have been abdicating their responsibilities and effectively backing the status quo by not using their votes when they are entitled to.

A briefing issued yesterday by the NAPF stresses that voting was a shareholders' duty and a chance to improve corporate governance in the companies its members are involved in. Dr Ann Robinson, its director general, said: "Pension funds own more than a third of the ordinary shares in UK quoted companies. Many major investing institutions are now showing a voluntary commitment to the concept of regular voting, but more needs to be done."

The NAPF guidance says: "Unless major investing institutions can show... commitment to... regular voting, compulsion will almost certainly be introduced by legislation."

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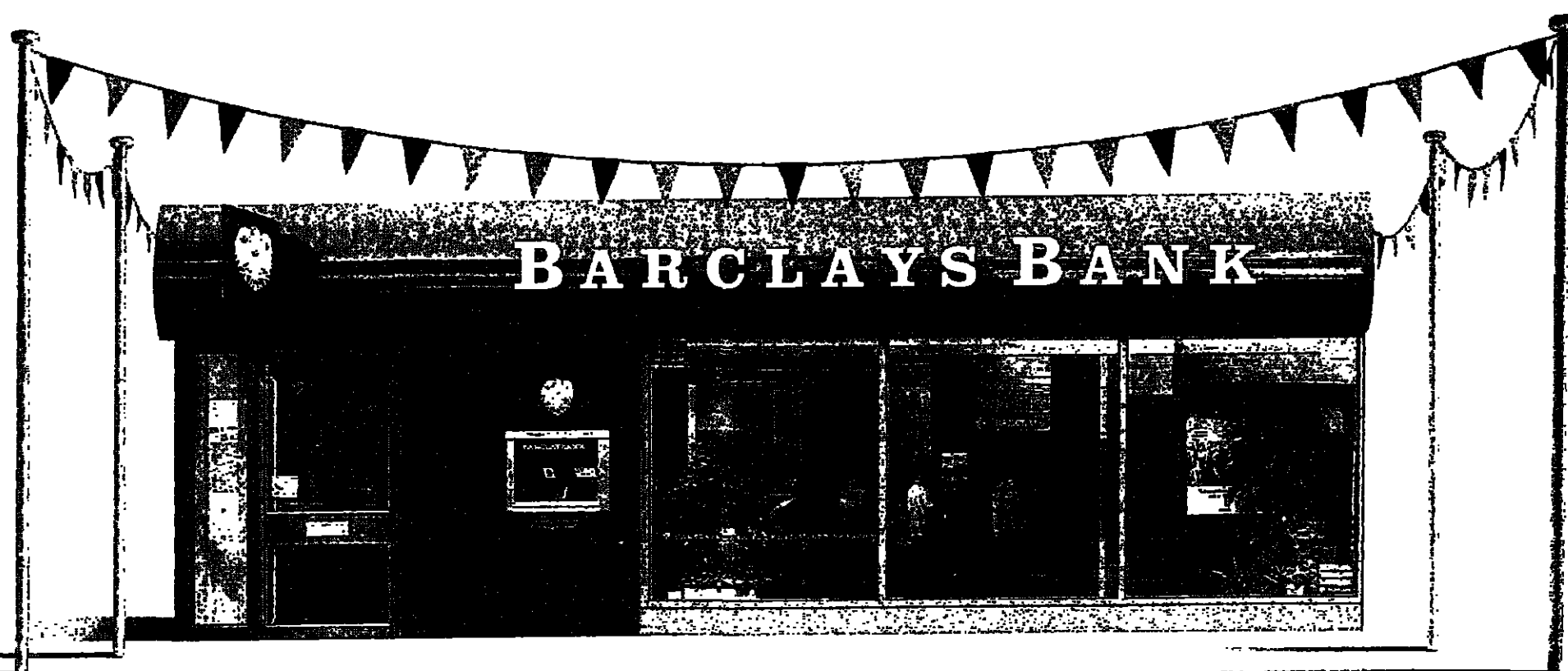
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GAVYN DAVIES

Whenever it comes, EMU now seems certain to involve much tougher controls over budgetary policy than any British government, certainly any Tory government, could accept.

## France opens its arms to Waigel's tough plan

On a visit last week to some of America's largest international investors, I was struck by two strong themes about the European economy that kept on cropping up. First, US equity investors are quite fearful that a new contraction may be hitting Europe. This reportedly started in mid-year, has intensified in the current quarter, and now applies as much in the UK as it does on the Continent.

Second, most Americans blame these developments on attempts by certain economics to tighten fiscal or monetary policy in order to prepare for monetary union (EMU). This line has been strengthened by recent calls from Germany for new and permanent fiscal controls to be put in place after EMU – an area that was left opaque by the Maastricht Treaty. Proposals for these new budget controls have gone surprisingly unnoticed so far in the UK. But they will certainly prove explosive when the anti-EMU camp begins to focus on them – not least because they are seemingly being imposed by a side agreement between Germany and France, with virtually no reference so far to the rest of the European Union.

Let us start with the talk of "recession". There can no longer be much doubt that European activity has weakened markedly in recent months, particularly in the manufacturing sector. Much of this seems to be due to a rather belated, but now quite sharp, downward adjustment in stock levels, and there are no signs this is abating. Figures out last week showed the biggest monthly drop in EU order books this year, with a further build-up in unwanted stock levels.

There were huge drops in order books in both France and Germany last month, and the UK now seems to be getting sucked into this Europe-wide phenomenon. Price inflation pressures in the manufacturing sectors throughout Europe are dropping precipi-

tously. Even if we are only seeing a temporary inventory correction that will blow over next year, it certainly should, and almost certainly will, force a co-ordinated cut in European interest rates fairly soon.

It is far from clear, though, that this setback in activity should be blamed mainly on the EMU process. The accusation here is that attempts to comply with the budgetary targets in the Maastricht Treaty are leading to contractionary fiscal policies in the EU, while attempts to stabilise currencies against the German mark are leading to contractionary interest rate policies as well. But in most EU countries, including Italy and the UK, this argument does not seem to stand up. Fiscal corrections would have been necessary in many countries after 1992, regardless of the Maastricht criteria, and monetary policy outside the core exchange rate mechanism has been completely uncorrelated with that inside it. Furthermore, the drop in output growth this year has been a world-wide phenomenon, not one confined to the EU.

But one country where the EMU argument does stand up is France. Until last month, the Chirac/Juppé administration had been making unconvincing attempts to tighten budgetary policy, while also appearing equivocal at times about its commitment to exchange rate stability. As a result of the confused message this sent to the markets, the risk premium on French interest rates rose significantly, adding to the dangerous contractionary forces already on the loose in the economy. In short, France was getting the worst of all worlds.

Clearly this could not go on. The watershed came in a summit last month between Chancellor Kohl and President Chirac that has resulted in a new resolve from both sides to give the EMU project a gigantic new push. Since then, the Germans (who have their own reasons, connected to the competitiveness

of German industry, for wanting to shore up the French franc) have returned to their previous posture of full and unbending support for the French.

And, following the Juppé government's budget proposals, finalised last week, the fiscal stance in France will be decisively tightened by around 1 per cent of GDP in both 1996 and 1997. This will allow the budget deficit to come down to the Maastricht limit (3 per cent of GDP), assuming that real GDP growth is around 2.5-3 per cent per annum in the next two years. Furthermore, it should allow real interest rates in France to fall precipitously, especially if the Bundesbank helps by simultaneously cutting rates.

So the French and Germans seem to have renewed their determination to get to full EMU by 1999. The main threat to this resolve would be a recession in Europe next

year, since this would throw the French budget plans into renewed disarray. In the context of much lower GDP growth, France would need to introduce even tougher budget measures to hit the Maastricht targets, and that would almost certainly be too much to ask. In fact, should a recession intervene, the EMU project would get postponed for at least a couple of years. So the only assured route to EMU in 1999 is the route of economic growth, and that requires lower interest rates soon.

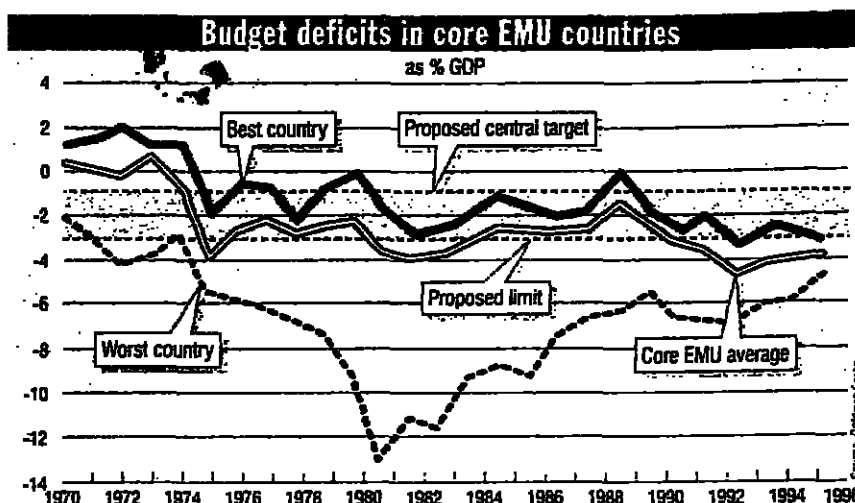
But whenever it comes, EMU now seems certain to involve much tougher controls over budgetary policy than any British government, certainly any Tory government, could accept. In order to placate the German electorate, the Finance Minister, Theo Waigel, has proposed a new "stability pact" that all full members of EMU would be required to

sign. This pact would set a budget deficit target of 1 per cent of GDP for all countries, with an upper limit of 3 per cent of GDP for the budget deficit during recessions.

Countries that exceed the limit would be fined 0.25 per cent of their GDP for every 1 per cent of GDP by which they miss the limit, and this would be recoverable only if the budget excess were eliminated within two years. If the UK were already a member of such a pact, we would now be preparing to pay Brussels a fine of £2bn for this year's budget overshoot – a figure that would certainly get the attention of Bill Cash, among others.

Actually, the principle of a supra-national agreement to limit budget deficits is a very good one. Because of spill-over effects, one country's budget deficit is another's rise in the global real interest rate. But the Waigel proposal looks much too restrictive. The 1 per cent central target for the budget deficit is much lower than the figure required to stabilise the public debt/GDP ratio in the EMU bloc (2.5 per cent would be enough to do that), and it would require yet another fiscal retrenchment in the early years of EMU.

Furthermore, since individual members of the EMU could no longer respond to recessions by reducing interest rates in their own economies, they might want to ease the fiscal stance by more than they have typically done in the past. Yet, as the graph shows, the 3 per cent Waigel limit on budget deficits would have been triggered by at least one of the likely core EMU members in virtually every year in the past 20. Fines would be an everyday event under the Waigel plan. Nevertheless, the French have welcomed the Waigel proposal with the alacrity of a foreign legionnaire receiving his first Gauloise after a year lost in the desert. This only goes to show how keen the Chirac government now is to get the EMU deal done.



UUNet's search for a British partner is good news in a rapidly expanding market

## A Net darling with global plans

The Internet craze has already made millionaires, even a few billionaires, some of them overnight. Investors, particularly in the US, have snapped up shares in small Internet service companies with near-insatiable gusto, driving prices sky-high and sending price/earnings multiples into the stratosphere.

One of the current darlings, UUNet Technologies, was listed this summer, pitched at just \$14 a share. By late last week, the shares had breached the \$90 (£57) mark. That was good news for the shareholders of Unipalm, the UK Internet company that UUNet is proposing to buy. The all-share offer was worth about 450p when it was unveiled last month.

By Friday, on the back of the recent rapid rise in UUNet shares in New York, Unipalm was trading at 865p, and the offer had received acceptances from more than 90 per cent of Unipalm's shareholders.

Visiting London recently, John Sidmore, UUNet's chief executive, looked relaxed and confident – remarkably so for a man trying to run a very young company in a fast-changing, highly competitive sector. "It's not difficult to grow in this environment," he said. "Until very recently, we didn't have to make any sales calls; we were just hiring people as fast as we could just to make sure the phones were being answered."

UUNet's core market is business, where the advantages of easy, secure access to the In-

ternet are increasingly apparent. The company offers a comprehensive range of access options, applications and consulting services, not only directly to business but to other online service providers such as Bill Gates' Microsoft, with which it has a strategic alliance to help roll out the Microsoft Network. Microsoft also has a 15 per cent stake in UUNet, and relies on the smaller company to develop and operate a "large-scale, high-speed" network for MSN users.

Formed in 1987 by computer whiz Richard Adams, UUNet has signed up 4,000 business customers, and had revenues in 1994 of \$12m (£7.5m), generating losses of \$6.9m. Analysts suggest that the company could be in operating profit by next year. Mr Adams' stake is worth nearly \$430m, while Mr Sidmore has to settle for a mere \$110m.

As pleased as shareholders appear to be with the company and its management, there are some potential trouble spots ahead. No one is sure to what degree the Internet will blossom into an invaluable corporate tool. Nor is there agreement about technical standards, interoperability, software compatibility or even security, perhaps the key issue now facing Internet providers.

"We have to be able to make the system secure and reliable,"

Mr Sidmore said. It is a crucial requirement not only to protect copyright and proprietary information but also to permit service providers to charge for their products. The room for fraud remains huge.

### THE MONDAY INTERVIEW JOHN SIDMORE

"Security is something on everybody's mind," Mr Sidmore said. "But there is a tremendous amount of capital going into security-related matters, and I believe that within a very short amount of time, the problems will be solved."

The Internet access world is also a highly competitive one. Direct competitors include access providers such as Bolt, Beranek & Newman, Netcom and PSL. But UUNet also faces a threat from large telecommunications companies such as MCI, which are pushing into Internet-related services.

"Of course I'm worried," Mr Sidmore said disarmingly. "You are a dangerous chief executive if you aren't paranoid and frightened to death about the competition."

But he suggested that being big is not necessarily a guarantee of success. "Sure there are big companies with large resources such as MCI or Cable & Wireless. But big companies have trouble managing the people issues." He believes that small boutique firms will play an important role in the Internet field, in areas ranging from software development to graphic design, even marketing.

"People often prefer to work for themselves, and don't feel

comfortable in a large company," Mr Sidmore said.

The problem, often, is a clash of styles. Large, hierarchical companies find it difficult to communicate with the young, hyper-technologically minded staff that gravitate to the world of the Internet.

"These guys can be pretty strange," Mr Sidmore said. "They work odd hours, and work out their tensions in untraditional ways."

Nor do many of the very best Internet software developers communicate very well in a corporate context.

"We asked one guy, one of our very best software developers, to speak to some investors. He promptly fainted. He just couldn't speak in public. But he's brilliant, so what are you going to do, fire him? No."

Getting skilled help in a fast-growing business is hard enough as it is. "Techno nerds" are part of the deal. Mr Sidmore is more a suit and tie man. Formerly a marketing and sales manager at GE's information services division, he left to run Intelcom Solutions, a telecommunications software company, in 1989. The company was bought by Computer Sciences Corporation in 1991, but Mr Sidmore stayed as president. Venture capitalists backing UUNet approached him last year to put the company on a more commercial footing.

"People kept asking: 'Why would you do this? Why would you work for this small company?' I took it as a challenge."

An economist by training, Mr Sidmore is a great believer in the Internet and its future. The growth of the market has been accelerating recently, he said. "It's analogous to the growth of the PC market in the 1980s."

Mr Sidmore expects growth in Europe to accelerate particularly quickly, and reckons the UK is roughly 18 months behind the US in the Internet development curve. On that reading, he said, "1996 is the year of the European growth spurt."

International growth is a clear priority. The company is planning to spend \$65m in the US and Canada this year, taking the number of cities served to 150. Thereafter, Mr Sidmore said, "we are looking at going out into the world."

In each case, the company will seek partners. "It could be in the form of major contracts, an equity interest or even acquisitions, as we have done with Unipalm." Unipalm, the UK-listed service provider, is UUNet's chosen vehicle for expansion in Europe. "Of all the companies we looked at, Unipalm and we have the most similar structure and strategy. It is a very good fit."

Are there any differences between the way the two companies work? Just one, Mr Sidmore admitted. "The staff in the UK tend to dress better."

Matthew Horsman



Net prophet: John Sidmore, chief executive of Internet operator UUNet Technologies, sees 1996 as the 'year of the European growth spurt' Photograph: Dillon Bryden

### The problems of security ... will be solved in a very short time

## Where there's smoke there's pressure

We are ensconced in one of our favourite lunchtime eateries in Manhattan this weekend when a man with a worried look settles in a booth just a couple away from our own. He talks in grumbling tones to his companion, rarely lifting his eyes from the table. He is Dan Rather, the veteran newsreader at CBS.

Of course, it may be the grey weather that is weighing on Mr Rather's mood. It is a good bet, however, that he is pondering work matters – the pending takeover of CBS by Westinghouse Corporation, or perhaps last week's brouhaha over revelations of self-censorship at 60 Minutes, his network's flagship current affairs show. Or, indeed, a combination of both.

What happened at 60 Minutes, a Sunday-night fixture, rattled the rafters not just of CBS but of the whole industry. Under pressure from network lawyers, the producers emasculated a planned story on efforts by the tobacco industry to suppress the results of its own research into nicotine and cancer by yanking an interview with a former employee of a large tobacco company – Brown & Williamson, a subsidiary of British American Tobacco – for fear that it would provoke a multi-billion-dollar lawsuit.

The legal department at CBS was especially concerned that the interviewee had signed a

confidentiality agreement with B&W on leaving the company and was in effect being invited to breach it on air. In theory, B&W could have accused CBS of so-called "tortious interference" and hit it with a very hefty lawsuit indeed. In the mid-1980s, Texaco was sued for tortious interference for trying to break up the merger of the Pennzoil Company and Getty Oil and was forced to pay \$10.5bn in damages. The episode pushed Texaco into bankruptcy protection in 1987. CBS evidently took fright.

But the journalistic uproar was instant. It did not help that this was 60 Minutes, the very bastion of no-fear, no-favour television journalism. It also tweaked unusually raw nerves because it was the tobacco industry that was involved. While from some angles the cigarette-makers seem to be on the run from journalists and the US government – the Food and Drug Administration is considering classifying tobacco as an addictive drug – they still wield awesome power. Power to sway politicians – the industry is the biggest contributor to the Republican Party – and also to court television networks.

Editorialists, columnists and commentators expounded widely on the crisis of the corrosion of free expression in the

Fear of the tobacco industry has led the mighty CBS network to censor itself

press. "This act of self-censorship by the country's most powerful and aggressive television news programme sends a chilling message to journalists investigating industry practices everywhere," boomed the New York Times. Among journalists at CBS who joined in the chorus was Mr Rather, who argued that whatever the cost to his employer of a lawsuit from

### VIEW FROM NEW YORK

B&W, "it wouldn't cost as much as it's going to cost us if we get a reputation for folding every time somebody threatens us". Most poignant was the display of embarrassment and chagrin on 60 Minutes itself when the neutered version of the tobacco story was aired two Sundays ago. In what he called a "personal note" at the end of the programme, the veteran reporter Mike Wallace bitterly explained that CBS had "seen fit to give in to perceived threats of legal action against it". He later said on radio that he would resign if the same thing were to happen again.

Then there is the Westing-

house factor. Cynics might wonder at the coincidence of timing between the broadcast date of the show in question on 12 November and the meeting of CBS shareholders that was scheduled for just four days later to approve Westinghouse's \$5.4bn takeover offer for the network. It is not inconceivable that CBS managers were unwilling to risk a big lawsuit at the very moment when the Westinghouse takeover was so close to consummation, especially when you consider that many among them stand to make huge profits from the buyout.

The scenario is more convincing still if you know of a similar saga that recently beset CBS's rival, ABC. A year and a half ago, Philip Morris, home of the Marlboro Man, walloped ABC with a \$10bn suit – the biggest libel action in history – after one of its current affairs programmes, Day One, which has since been axed, alleged that the company had been deliberately spiking its cigarettes with nicotine to raise addiction levels among its smokers. ABC did nothing for 18 months, until, lo and behold, in August this year it settled out of court, paying Morris a reported \$15m to cover legal fees. And what else happened to ABC at about that time? It, like CBS, also pro-

posed climbing into someone else's bed – Walt Disney's.

Some easy conclusions can be drawn. For one, the tobacco industry, for all the battering it has been taking of late, is still a power to be reckoned with. For another, in this country certainly, lawyers are on the up escalator in the news business while journalists appear to be riding down, taking the First Amendment of the American Constitution with them. Another is less certain, but perhaps more worrying still. As industrial combines gradually become the masters of all media outlets – remember that NBC, the other network, is already controlled by General Electric – so corporate concerns of profit and protection against risk take over from journalistic principles.

This is the fear expressed by Frank Rich of the New York Times. "If this is how cautiously ABC and CBS are behaving before they are swallowed by Disney and Westinghouse, what will happen to these networks' news divisions after the sales are completed and they are owned by even larger corporate behemoths? If bottomless corporate coffers can buy off elected officials and scare off news organisations as huge as CBS, who will defend the public interest?"

No wonder Mr Rather seemed to be looking at his omelette askance.

David Usborne



Rough country: Last year's \$10bn lawsuit against ABC by Philip Morris, home of the Marlboro Man, has spread fear among the networks



























## SPORT

*'The dawning of a new age it certainly was not. South Africa end the year on a deserved high and we begin this new one floundering somewhat'*



**TONY UNDERWOOD**  
On England's  
Twickenham travails

# Elements pour cold water on England's plans

## Cricket

MARTIN JOHNSON  
reports from Pretoria

The opening Test match of England's first Test series in South Africa for 30 years has turned out to be more of an appetiser than a main course, and the not-inconsiderable band of English supporters who came here to celebrate the occasion have found themselves soaked, but not in history.

Seven inches of rain has fallen in the past two and a half

days (about four of those inches in the first half an hour of Friday afternoon's electrical storm) which amounts to over a quarter of the region's annual quota. There are no official figures, but for a society in which the weekend barbecue is close to a religion you can also add to several lost sessions of cricket, several thousand tons of unused steak and sausage.

It is not unusual for England to lose two entire days of cricket in a Test match, although this is generally due to their own incompetence rather than the

weather. This time, though, they have been seriously inconvenienced by the kind of conditions - cold, damp and nasty - more readily associated with the zonal rounds of the Benson and Hedges Cup than a southern African summer.

Not only have England seen a good position snatched away from them (they must now effectively start the series again at Johannesburg's Wanderers ground next week) but it will probably force them to re-think their plans for the four-day match against Orange Free

State starting in Bloemfontein on Thursday.

Ordinarily, at least two of the bowlers would have been rested between Test matches, but as none of them has yet sent down a delivery here, there is not much scope for giving any of them four days off in Bloemfontein.

Graeme Hick will almost certainly be rested to give John Crawley a chance to put further pressure on Mark Ramprakash, but it may be that England will have to rest another batsman (Robin Smith, who has so far

played in every match on tour, is the likeliest candidate) in order to give an outing to one of the bowlers not selected here.

Hick has been the major bonus from this Test match, despite the fact that he will never quite aspire to the heights of greatness while he is content merely to wait for a poor delivery. The fact that precisely 100 of his 141 runs came from boundaries means that he faced 253 deliveries for the extra 41.

None the less, Hick has developed something of an appetite for South African

bowling, having averaged over 60 against them in the last series in England, to go with his 83 off 90 balls in the World Cup semi-final. Hick has now scored 1,056 Test match runs at 56 per cent since the start of last summer.

For much of his early Test career, Hick's average was stuck in the teens, which is where Ramprakash is currently roomed after 18 Tests. With, presumably, no second innings in this game, Crawley may well displace him with one decent score in Bloemfontein.

In the meantime, the South Africans have come in for some fairly heavy criticism, firstly for putting England in to bat, and secondly for not playing a spinner. There has also been the suggestion that Brett Schultz, who bowled like a far bigger drain than the ones dispensing all the rainwater, came into the match not fully fit.

Schultz suffered a recurrence of a buttock strain during the game, and people are beginning to ask why a team with a small army of backroom staff (they have a doctor, a physiotherapist,

an exercise consultant, a dietitian, a foot specialist and a coach) can firstly not correctly read a pitch, and secondly send out an unfit man to bowl on it.

The South Africans began this series with a high degree of confidence - one of the TV trailers involves a flock of vultures ripping the gear from an Englishman's kitbag with the caption "easy meat" - but once they have finished preening themselves over the result from Twickenham, they might start taking England a bit more seriously.

Headline by courtesy page 25

## Old Firm passion given free rein

### Football

DAVID MCKINNEY  
Rangers 3  
Celtic 3

Rangers retained their four-point lead at the top of the Scottish Premier Division yesterday after an epic game at Ibrox. Six goals, another disallowed and a goalmouth skirmish left supporters and players drained.

The goals reflecting the action were both brilliant and mundane, starting with Andreas Thom's opener for Celtic, which was in the former category. Collecting a pass from Simon Donnelly, the German striker strode forward a couple of yards before unleashing a powerful shot past Andy Goram from 25 yards. It was the kind of goal which had tempted Tommy Burns, the Celtic manager, to sign the player, although until now he has rarely demonstrated that ability.

Controversy is never far from an Old Firm derby, and after 23 minutes Rangers were denied an equaliser after David Robertson had squeezed the ball in at the near post, only to discover a linesman's flag raised. Thom headed wide from a good position before Brian Laudrup, on his return from injury, ensured the teams would go in at half-time on level terms. The Dane corvée an angled shot into the corner of the net after the ball had broken free to the edge of the area.

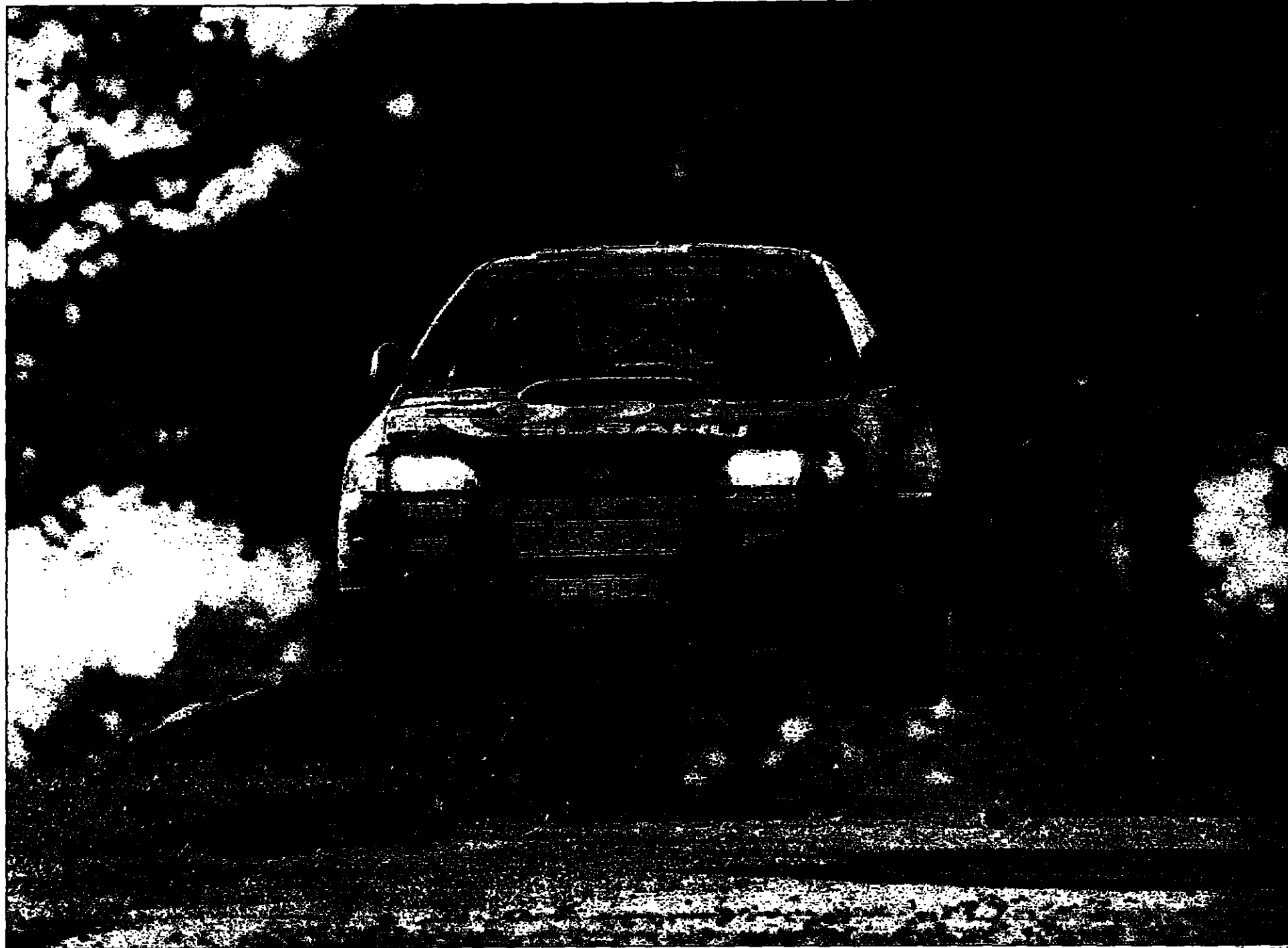
If the first half had produced a couple of memorable moments, the second was a roller-coaster ride, with incident and chances galore, the first of which saw Paul Gascoigne fire a free-kick narrowly over the crossbar. Shortly afterwards, Celtic again took the lead, this time from the

penalty spot after Richard Gough had been penalised for a foul on John Hughes. John Collins saw Goram choose the right direction, but his dive was insufficient to enable him to keep the ball out of the net.

A curled free-kick from Gascoigne after 63 minutes found the head of Ally McCoist, who had a simple task in making the score 2-2. Goram then produced a save verging on the miraculous to deny Celtic's Dutch striker, Pierre Van Hooijdonk. Seconds later, Goram and Hughes appeared to trade punches on the goal-line, for which both received a yellow card.

Rangers took the lead with 20 minutes remaining through an own-goal from Josh McKinlay. A cross from Oleg Salenko was intended for the waiting McCoist before McKinlay's interception, which sent the ball spinning beyond his own goalkeeper. The afternoon's drama was completed two minutes later, when Van Hooijdonk rose to glance a McKinlay cross past Goram via his left-hand post. Rangers (3-2-2): Gough, McLaren, Patric, Cleland, Ferguson (McCoist, 51), Gascoigne, McCall, Robertson; Salenko (Miller, 76), Laudrup.

Celtic (4-4-2): Marshall, McLennan, Boyd, Hughes, McKinlay; Thom, Grant, McStay, Collins; Burns, McLaughlin, 75, Van Hooijdonk (Miller, 54).  
Referee: H. Dallas (Motherwell).  
Rangers photograph, page 31  
Glenn Moore, page 30

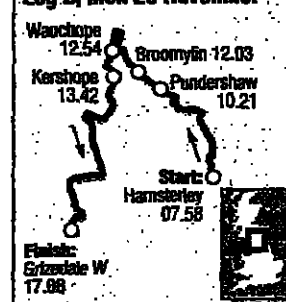


Special air service: Colin McRae and Derek Ringer rise to the challenge of the RAC Rally in their Subaru at Chatsworth House yesterday

Photograph: David Ashdown

### Network Q RAC Rally

Leg 2, Mon 20 November



### Rallying

DERICK ALLSOP  
reports from Chester

So far so good for Colin McRae. The 27-year-old Scot steered a steady course to third place at the end of the first day of the Network Q RAC Rally, sufficient to keep him ahead of Carlos Sainz, his only rival for the world championship.

The opening stages are regarded as little more than sparring for the main event, which will unfold in Kielder and similarly unforgiving northern tracks today, but as an exercise in control and concentration it was perfect preparation for McRae.

Mitsubishi's Tommi Mäkinen, the winner on four of the seven stages, led the cavalcade into Leeds for the overnight stop. 11 seconds ahead of his team-mate, Kenneth Eriksson, McRae was a second further behind and 14 seconds clear of his Subaru partner, Sainz.

McRae, level on points with Sainz, but at a disadvantage be-

cause of the Spaniard's greater number of rally victories, is conscious that one aberration could put him out of the RAC and quash his title hopes.

His most spectacular, and characteristic, moment came at the end of the final stage, where his car went into a 360-degree spin, forcing alarmed officials to take evasive action. "Everything has gone to plan," McRae said, "although a wrong tyre choice cost us time at Donington. This is my chance to become Britain's first world champion and I don't intend taking any risks. I just had to be careful where it was slippery."

Sainz, seeking a third championship success, was already anticipating more daunting tests. He said: "Perhaps today's stages are Mickey Mouse but you still have to be careful not to make a mistake. But of course the hardest part is now coming."

McRae had been rather less circumspect on the record, incurring fines totalling £1,075 for two offences of exceeding the 30mph speed limit and a further

offence of using a radar warning device. Presumably it was faulty. Considering the first prize at this event is a modest £3,000, McRae will not be aspiring to instant riches. The dividends from a title victory, however, would more than compensate.

The portents yesterday morning were encouraging. Sainz edged ahead of McRae by a second on the first stage but damaged a radiator in the water splash at Chatsworth.

It was enough, however, to relegate him to beneath his stablemate in the standings and he was to stay there for the rest of the day. McRae, focused on championship matters, was none too perturbed that the Mitsubishi pair moved ahead. He also stressed: "The contest really starts from here."

Eriksson, of Sweden, who joins Subaru in place of Sainz next season, was fastest at Clumber, and the Finn Mäkinen took command at the two Donington stages. He maintained his assured progress at Rother Valley and Leeds, reinforcing wide-

spread predictions of success for Mitsubishi here.

Subaru, having brought their drivers to Britain on level terms by issuing team orders at the Catalunya Rally, have effectively compromised their endeavours to beat Mitsubishi in the manufacturers' championship.

Toyota's disqualification has deprived the RAC of a wider dimension and Ford's challenge has already been weakened by the retirement of the Frenchman, François Delecour. A transmission failure on the third stage inflicted the event's first major casualty.

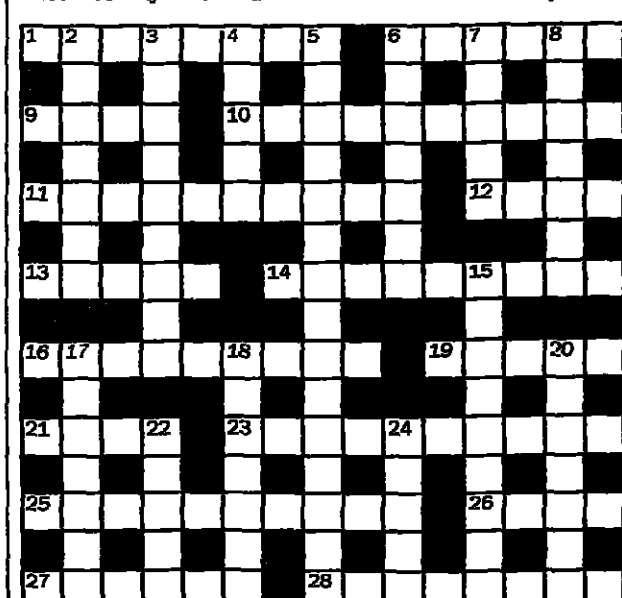
Malcolm Wilson, the Cambrian who says he will quit driving if he wins at the 1996 attempt, was sixth last night. Richard Burns, in the third Subaru, completed the day in ninth place and was thankful merely to be involved. He damaged his steering when he hit a log hidden by a stray bale in Tilton Park.

NETWORK Q RAC RALLY Leading standings after seven stages: 1 T Mäkinen (Subaru) 27.18, 2 C Sainz (Mitsubishi) 28.05, 3 C McRae (Subaru) 30.25, 4 K Eriksson (Subaru) 30.45, 5 R Burns (Subaru) 31.05, 6 M Wilson (Subaru) 31.15, 7 J Mäkinen (Subaru) 31.42, 8 F Delecour (Ford) 32.15, 9 A Forsyth (Ford) 32.15, 10 A Forsyth (Ford) 32.15.

## THE INDEPENDENT CROSSWORD

No. 2536, Monday 20 November

By Purvis



### ACROSS

- 1 Sweeping rejection? (5-3)
- 6 Pole's mean without doubt (6)
- 9 Union card (4)
- 10 Note two trees containing degree of rot (10)
- 11 Gets hard on revolutionary being stubborn (10)
- 12 Don't start to hit small child (4)
- 13 Mouth to Greek character (5)
- 14 Continue being upset about royal legion member (9)
- 16 Hurried to return with share account (9)
- 19 Society manage to get freedom to act (5)
- 21 Cheese from the cafe tastes nice (4)
- 23 Tie a binder making it tight (10)
- 25 Drop container at first - it's white-hot (10)
- 26 Trail back holding round object (4)
- 27 Love life around the French family (6)
- 28 Fears disorderly number going into bar (8)

### DOWN

- 2 Take over from another giving comfort (7)
- 3 Used to nib eccentric journalist (9)
- 4 Alternative spot to travel round (5)
- 5 Ego trip? Can't wait (4,4,7)
- 6 European is caught by petty trickery (7)
- 7 Either way it's the same for lady (5)
- 8 Country sign tipsy host carried inside (7)
- 15 Audibly smashed corner figure (9)
- 17 Declare metal bearing to be connected as usual (7)
- 18 Hears English tenor's going ahead in Italy (7)
- 20 Introduce measure limiting umpire (7)
- 22 Reckon to make sense (3,2)
- 24 Legal claims say, that are religiously upheld (5)

## Carling to face Samoans

Rugby Union  
STEVE BALE

Will Carling will complete his mandatory 21-day stand-down for concussion in good time to lead England against Western Samoa on 16 December, though his injury appeared much more serious when he was carried off towards the end of the Twickenham defeat by South Africa.

By yesterday Carling had only a headache and stiff neck to worry about, having initially been knocked out cold under a pile of bodies and then been immobilised while unconscious by paramedics attending him during an anxious seven-minute break in play.

As the relevant International Board resolution stipulates a minimum three-week ab-

sence from the time of the injury, Carling would not be permitted to make his comeback on the Saturday before the Samoan Test, but he said yesterday he had in any case not intended to play during the period between Tests.

The prognosis varies between England's two back-row casualties, Tim Rodber and Ben Clarke. Rodber's performance against the Springboks was impaired from an early stage by a severely bruised shoulder compounded by internal bleeding and it is too early to say whether he will be fit within a month.

There is no doubt about Clarke, however. Though England's new pack leader did not

have to be replaced like Rodber and Carling, he was taken to hospital with a suspected fractured cheekbone after being punched by Joel Stranksy, only for an X-ray to reveal the damage to be severe bruising.

Yesterday Stranksy, fortunately not to be dismissed after a touch-judge had drawn the referee's attention to his actions, apologised to Clarke, explaining but not excusing himself by pointing out that the Englishman had tackled him late. "I feel hell of a bad about it," the South African stand-off said. "I don't know what came over me. I've never done anything like that before. It's simply not like me."

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## US fight

REPORT CORNWELL

The Balkan peace talks are a long way from being a success, according to a senior US official. The official said that the talks were "not going well" and that the parties involved were "not making any progress".

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